

PS 4500.04 CN-6 TRUST FUND/WAREHOUSE/LAUNDRY MANUAL



Change Notice

DIRECTIVE AFFECTED: 4500.04
CHANGE NOTICE NUMBER: 6
DATE: 3/2/2000

1. **PURPOSE AND SCOPE.** To update Program Statement 4500.04, the Trust Fund/Warehouse/Laundry Manual.

2. **SUMMARY OF CHANGES.** Chapter 4526 was revised to implement an Executive Staff decision establishing a permanent inmate spending limitation and restricting the exclusions from the limitation.

3. **TABLE OF CHANGES**

Remove

Chapter 4526

Insert

Chapter 4526

Changes are indicated by an asterisk (*) before and after added or deleted information.

4. **ACTION.** File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/
Kathleen Hawk Sawyer
Director

Chapter 4526 - Spending Limitation

- * 1. PURPOSE AND SCOPE. This Chapter establishes the spending limitation and the limits placed on inmate spending in the Commissary.

It is Bureau policy to allow inmates the opportunity to purchase goods in the Commissary. To eliminate the disparity between affluent inmates and inmates with few resources, a spending limitation is necessary. The \$275 spending limitation is the maximum amount an inmate is allowed to spend per month on sales items not excluded from the monthly spending limitation, as described in Paragraph 3 below.

In an effort to provide additional enjoyment during the Christmas/New Year holiday season, the spending limitation during this season will be increased by \$50. The increased spending limitation for each inmate may be in effect for no more than one validation period.

2. SPENDING LIMITATIONS. Each Warden is to establish a monthly spending limitation not to exceed the current Bureau-established limitation for Commissary sales. To enable institution management to control or restrict gambling and other illicit activities involving "payoffs," local controls, including quantity limitations, may be established to restrict trafficking in items sold through the Commissary. This may include restrictions on items offered for resale through the Hobby Shop or SPO Programs.

3. ITEMS EXCLUDED FROM THE SPENDING LIMITATION

- # Postage
- # Inmate Telephone System credits

4. RE-VALIDATION OF SPENDING LIMITATION. The spending limitation must be re-validated once per month for each inmate. The Trust Fund Supervisor is to reset the spending limitation (re-validation) on the FPPOS System. *



Change Notice

DIRECTIVE AFFECTED: 4500.04
CHANGE NOTICE NUMBER: 5
DATE: 9/3/99

1. **PURPOSE AND SCOPE.** To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.

2. **SUMMARY OF CHANGES.** The significant changes are summarized as follows:

a. Chapter 4501 was revised to include references to the Fiscal Year 1996 and 1999 appropriation language changes regarding Trust Fund Authority. Changes were made to reference the Federal Prison Point of Sale (FPPOS) Technical Reference Manuals as guidelines for operation of the FPPOS System.

b. Chapter 4504 was revised to clarify the appropriate uses and prohibitions on the use of Trust Fund profit distributions and identify the inmate programs funded by Trust Fund profits.

c. Chapter 4506 was revised to emphasize the requirement for the use of the Government-wide commercial credit card for purchasing Trust Fund supplies in accordance with Bureau of Prisons Acquisition Policy.

d. Chapter 4507 was revised to clarify the disposition of property purchased with Trust Fund monies.

e. Chapter 4508 was added to identify the document retention schedule for various Trust Fund documents.

f. Chapter 4522 was revised to encourage the procurement of Commissary goods which meet the religious dietary restrictions of certain inmates and to prohibit the sale of effervescent denture cleaning tablets such as Polident and Efferdent and products containing pseudoephedrine. Revisions also were made to prohibit

the sale of video games except word spellers and musical instruments (excluding harmonicas) and prepared meals from outside sources.

g. Information on medication for the inmate smoking cessation program was also included in Chapter 4522.

h. Chapter 4524 was revised to reference a new Special Purpose Order form available on BOPDOCS.

i. Chapter 4527 was revised to require the routine review of slow moving Commissary stock and to clarify the accounting related to Trust Fund Reports of Survey and reporting of quarterly inventory shortages and overages.

j. A new Chapter 4528 was added for the policy regarding the ordering of postage stamps through the Postage Stamp Program.

k. Chapter 4540 was revised to require that documentation be maintained regarding the contacts between the institution and the State Licensing Agency regarding Trust Fund vending.

l. Chapter 4550 was revised to make reference to institution security as it relates to inmate call forwarding.

m. Chapter 4555 was revised to allow Trust Fund staff to fold and staple the Phone Access Code form with only the inmate's name and register number visible for distribution.

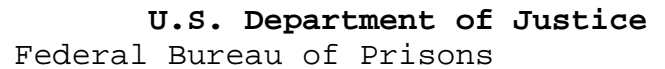
3. TABLE OF CHANGES

Remove	Insert
Pages i - ii	Pages i - ii
Chapter 4501	Chapter 4501
Chapter 4504	Chapter 4504
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Chapter 4550	Chapter 4550
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Changes are indicated by an asterisk (*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/
Kathleen Hawk Sawyer
Director



U.S. Department of Justice
Federal Bureau of Prisons

Change Notice

DIRECTIVE BEING CHANGED: 4500.04
CHANGE NOTICE NUMBER: 04
DATE: 11/24/97

1. PURPOSE AND SCOPE. To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.

2. SUMMARY OF CHANGES. The significant changes to Program Statement 4500.04 are summarized as follows:

a. Chapter 4507 was revised to clarify the process for transfer of personal property between the Trust Fund operation at one institution to a Trust Fund operation at another institution.

b. Chapter 4520 was revised to allow for the security review of Commissary operations to be compiled from the quarterly security reviews required by the Correctional Services Manual.

c. Chapter 4522 was revised to allow the sale of pre-stamped international envelopes (Air-O-Grams) and to prohibit the sale of televisions in the Commissary.

d. Chapter 4524 was revised to incorporate the results of the Task Force on streamlining Special Purpose Orders (SPO) and to include the maximum dollar limitation of \$300 per quarter for hobby craft materials obtained through the SPO process. This coincides with new Inmate Recreation Policy.

e. Chapter 4527 was revised to make reference to ensuring the correct price is placed on the Receiving Report for Commissary merchandise and to clarify the procedures for inventory adjustments occurring during the quarter when the physical inventory of a specific item is different from the amount shown on the Federal Prison Point of Sale Stock Status Report.

f. Chapter 4540 was revised to reference the proper signature process for agreements between the Trust Fund and the State Licensing Agency for vending operations.

g. Chapter 4550 was revised to add a statement requiring inmates to use the Inmate Telephone System for all personal telephone calls and prohibit the use of any type of call forwarding.

h. Chapter 4579 was revised to allow Controllers to identify the items which require maintenance of Stock Record Cards. Chapter 4579 was also revised to clarify the use of the unit price information on the Stock Record Card and the need for the use of this unit price to trigger notification of excess surveys to the Regional Director.

i. Chapter 4596 was revised to clarify that the 360 day supply of clothing/linen includes both purchased and donated items.

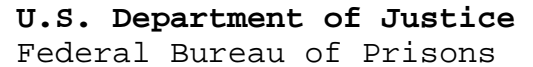
3. TABLE OF CHANGES

<u>Remove</u>	<u>Insert</u>
Program Statement	Program Statement
Chapter 4502	Chapter 4502
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Chapter 4579	Chapter 4579
Chapter 4580, Pages 1-2	Chapter 4580, Pages 1-2
Chapter 4596, Pages 1-2	Chapter 4596, Pages 1-2

Changes are indicated by an asterisk (*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/
Kathleen M. Hawk
Director



Change Notice

DIRECTIVE BEING CHANGED: 4500.04
CHANGE NOTICE NUMBER: CN-03
DATE: June 30, 1997

1. PURPOSE AND SCOPE. To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.

2. SUMMARY OF CHANGES. The significant changes to Program Statement 4500.04 are summarized as follows:

a. Chapter 4502 was revised to include the proper payroll coding for Trust Fund Supervisor salaries in order to meet the requirements of the Settlement Agreement in the Washington vs Reno Inmate Telephone System (ITS) litigation.

b. Chapter 4522 was revised to require Commissaries to stock at least 25 over-the-counter medications; a new listing of approved medications was incorporated into the items approved for sale in the Commissary. Staff should note that eye drops such as Artificial Tears are authorized; eye drops such as Visine, Murine, Clear Eyes and Vasocon are no longer on the authorized list of approved products. Institutions are authorized to sell all eye drops in the Visine category currently in stock but not to replenish stock supplies.

c. Chapter 4522 was revised to prohibit the sale of protein powders/drinks in the Commissary. Institutions are authorized to sell items of this type currently in stock but not to replenish stock supplies.

d. Chapter 4522 was revised to clarify the color requirements for inmate athletic shoes sold in the Commissary.

e. Chapter 4544 was revised to require that used photo tickets and photo vouchers be marked or mutilated to ensure against reuse.

f. Chapter 4550 was revised to allow staff to make test calls on the ITS for trouble-shooting purposes but to prohibit personal calls or business calls by staff.

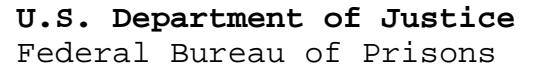
3. TABLE OF CHANGES

<u>Remove</u>	<u>Insert</u>
Chapter 4502	Chapter 4502
Chapter 4522, Pages 5 - 9	Chapter 4522, Pages 5 - 9
Chapter 4544, Pages 3 - 6	Chapter 4544, Pages 3 - 6
Chapter 4550	Chapter 4550

Changes are indicated by an asterisk (*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

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Kathleen M. Hawk
Director



Change Notice

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1. PURPOSE AND SCOPE. To update PS 4500.04, the Trust Fund/Warehouse/Laundry Manual.
2. SUMMARY OF CHANGES. The significant changes to PS 4500.04 are summarized below.
 - a. Chapter 4504 was revised to clarify the use of Trust Fund Profit Sharing funds for expenditures such as premium movie channels, weight lifting equipment, and musical instruments.
 - b. Chapters 4506 and 4527 were revised to allow the use of the Government Credit Card for the purchase of Commissary merchandise and to provide special procedures to ensure control of the inventory.
 - c. Chapter 4507 was revised to authorize a special equipment allotment for the purchase of Trust Fund minor equipment.
 - d. Chapter 4522 was revised to clarify recent changes in the purchase of personal property by inmates such as athletic shoes and clothing and to add several items to the over-the-counter medication listing.
 - e. Chapter 4523 was revised to streamline the process of recording inventory adjustments in FMS.
 - f. Chapter 4525 was revised to describe the sale of vending debits as a final sale, rather than as a vending credit, removing the need for a liability account. Separate sub-objects for recording Special Purpose Order (SPO) and Hobby Craft sales were deleted and these sales included in the Regular sales category.
 - g. Chapter 4527 was revised to clarify the end of the quarter reporting requirements. This chapter was also revised to establish that Trust Fund inventory losses due to theft shall be reported in FMS as inventory shortages rather than inventory adjustments.

h. Chapter 4540 was revised to include information on the Randolph-Sheppard Act and the Trust Fund vending operations. The date for all institutions to move to debit vending was established as October 1, 1998.

i. Chapter 4551 was revised to require two quarterly back-up tapes for Inmate Telephone System (ITS) data, one of which is retained for six years.

j. Chapter 4555 was revised to require the Trust Fund Supervisor to review the Balance Report daily for negative ITS balances, to allow staff to transfer ITS credits back to the inmate's Federal Prison Point of Sale account when the inmate is placed on telephone restriction for more than 10 days, and to conduct a quarterly account verification.

k. Chapter 4580 was revised to indicate the responsibility of the Board of Survey to prepare the annual inventory schedule for stores, property, and quarterly Commissary inventories. Further clarification was provided on the responsibility for Food Service and Health Services inventories.

l. Chapter 4596 was revised to allow for an institution to have a 360 day supply of inmate clothing on hand to allow for obtaining surplus clothing items.

3. TABLE OF CHANGES

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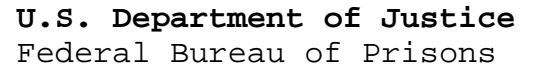
Insert

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Chapter 4595
Chapter 4596

Changes are indicated by an asterisk (*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, Trust Fund\Warehouse\Laundry Manual.

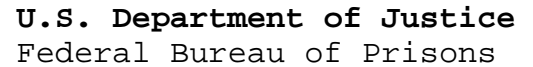
\s\
Kathleen M. Hawk
Director



Change Notice

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- Kathleen M. Hawk
Director



Program Statement

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PS 1221.64	Directives Management Manual (8/20/96)
PS 1222.05	Forms Management (5/17/93)
PS 1237.09	Computer Security (8/1/95)
PS 1600.07	Occupational Safety and Environmental Health Manual (5/30/96)

PS 2000.02	Accounting Management Manual (10/15/86)	
PS 2010.02	Accounting for Employee Organizations Vending Machine Profits to Trust Fund (2/7/94)	
PS 2010.03	Accounting for Trust Fund Stamp and Coin Checks in Transit (2/7/94)	
PS 2010.04	Accounting for the Trust Fund Inmate Telephone System (3/25/94)	
PS 2010.05	Accounting for the Inmate Debit Card Vending Machine Program (9/30/96)	
PS 2100.03	Budget Execution Manual (8/4/95)	
PS 3721.05	Employee Organizations (3/19/96)	
PS 4100.03	BOP Acquisition Policy (9/16/96)	
PS 4400.03	Property Management Manual (2/27/96)	
PS 5230.05	Grooming (11/4/96)	
PS 5264.06	Telephone Regulations for Inmates (12/22/95)	
PS 5270.07	Inmate Discipline and Special Housing Units (12/29/87)	
PS 5290.09	Admission and Orientation Program (7/1/96)	
PS 5321.06	Unit Management (7/31/96)	
* PS 5360.07	Religious Beliefs and Practices (8/25/97)	*
PS 5370.08	Recreation Programs, Inmate (6/13/94)	
PS 5380.05	Financial Responsibility Program - Inmate (12/22/95)	
PS 5381.04	Organizations, Inmate (3/19/96)	
* PS 5521.05	Searches of Housing Units, Inmates, and Inmate Work Areas (6/30/97)	*
PS 5580.05	Personal Property, Inmate (9/30/96)	
PS 6000.05	Health Services Manual (9/15/96)	

4. STANDARDS REFERENCED

- * a. American Correctional Association 3rd Edition Standards for Adult Correctional Institutions: 3-4031, 3-4034, 3-4035, 3-4037, 3-4040, 3-4042, 3-4044, 3-4315, 3-4316, 3-4317, 3-4318, 3-4319, 3-4320, 3-4321, 3-4324, 3-4439, 3-4187, 3-4393.
- b. American Correctional Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDF-1B-10, 3-ALDF-1B-16, 3-ALDF-1B-17, 3-ALDF-4D-11, 3-ALDF-4D-12, 3-ALDF-5D-09, 3-ALDF-3D-21, 3-ALDF-4D-08, 3-ALDF-4D-06, 3-ALDF-4D-10, 3-ALDF-1B-04, 3-ALDF-1B-07, 3-ALDF-1B-08, 3-ALDF-1B-14, 3-ALDF-1B-18, 3-ALDF-3A-21, 3-ALDF-4D-07, 3-ALDF-4D-09, 3-ALDF-4G-07.
- c. American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2-CO-1B-05, 2-CO-1B-08, 2-CO-1B-09, 2-CO-1B-12, 2-CO-1B-13, 2-CO-1B-14.
- d. American Correctional Association Standards for Adult Correctional Boot Camp Programs: 1-ABC-1B-09, 1-ABC-1B-10,

1-ABC-1B-12, 1-ABC-1B-14, 1-ABC-1B-16, 1-ABC-3A-20, 1-ABC-4D-06,
1-ABC-4D-07, 1-ABC-4D-08, 1-ABC-4D-09, 1-ABC-4D-10, 1-ABC-4D-12,
1-ABC-4D-14, 1-ABC-4G-15, 1-ABC-5D-11. *

5. INSTITUTION SUPPLEMENTS. Various Chapters of this Manual require the development of procedures for implementing policy at the institution level. These procedures may be issued as separate Institution Supplements, or as a component of a consolidated supplement on Trust Fund Operations, specifying the Chapter being supplemented. All Institution Supplements shall be prepared, approved, and reviewed as outlined in the Directives Management Manual. The following Chapters have requirements for establishing local procedures through issuance of an Institution Supplement:

- a. Chapter 4520, Security - Commissary.
- b. Chapter 4521, Security - Federal Prison Point of Sale System.
- c. Chapter 4522, Items to be Sold in the Commissary.
- d. Chapter 4524, Special Purpose Orders.
- e. Chapter 4525, Commissary Sales Procedures.
- f. Chapter 4542, Vending Operations for Services to Inmates.
- g. Chapter 4543, Institution Supplement on Vending Operations.
- h. Chapter 4544, Inmate Photography Program.
- i. Chapter 4550, Inmate Telephone System - General.
- j. Chapter 4555, Inmate Telephone System Sales Operations.
- k. Chapter 4573, Receiving Reports
- l. Chapter 4595, Laundry Operations - General

6. ACTION REQUIRED. The Trust Fund, Warehouse, and Laundry programs shall operate according to the procedures set forth in this Manual.

/s/
Kathleen M. Hawk
Director

PROGRAM STATEMENT 4500.04
TRUST FUND/WAREHOUSE/LAUNDRY MANAGEMENT MANUAL

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Chapter 4597	Inventory Management
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Chapter 4501 - History, Overview, and Nature of the Trust Fund

1. PURPOSE AND SCOPE. This Chapter gives a brief history of the Trust Fund, provides an overview of the Inmate Deposit Fund, and reviews the nature of the Trust Fund operation.

In 1930, Department of Justice Circular No. 2126, entitled **Rules Governing the Control of Prisoner's Funds at the Several Penal and Correctional Institutions** (August 1, 1930), authorized and established a Commissary at each institution. The Commissary was created to provide a bank type account for inmate monies and "for the procurement of articles not regularly issued as part of the institution administration". Circular 2244, **Rules Governing the Control of Prisoners Funds at Several Penal and Correctional Institutions** (January 1, 1932), superseded Circular No. 2126 and established separate United States Treasury Accounts for the "Prisoners Trust Fund" and the "Commissary and Welfare Funds".

The existence and operation of the prison Commissaries was recognized and approved by Congress in 1932 with the passage of the Department of Justice's 1933 appropriation bill. In 1934, Congress designated the "funds of federal prisoners" and Commissary funds" as "trust funds" (31 U.S.C. 725s, 1934). All monies accruing to these funds were appropriated and dispersed in compliance with the terms of the trust.

Section 108 of the Department of Justice, General Provisions, Department of Justice, Public Law 104-134 (April 26, 1996) provided that in Fiscal Year 1996 and each Fiscal Year thereafter, amounts in the Federal Prison Systems Commissary Fund, Federal Prisons, which are not currently needed for operations, shall be kept on deposit or invested in obligations of, or guaranteed by, the United States and all earnings on such investments shall be deposited in the Commissary Fund.

* Section 108 of the Department of Justice, General Provisions in the Fiscal Year 1999 Omnibus Bill and Conference Report Language, Public Law 105-277 (October 21, 1998) clarified the authority regarding expenditures from the Commissary Fund for an Inmate Telephone System and for other purposes, regardless of whether any such expenditure is security-related, for programs, goods and services for the benefit of inmates (to the extent the provision of those programs, goods, or services to inmates is not otherwise prohibited by law), including:

- a. the installation, operation, maintenance of the Inmate Telephone System;
- b. the payment of all the equipment purchased or leased in connection with the Inmate Telephone System; and
- c. the salaries, benefits, and other expenses of personnel who install, operate, and maintain the Inmate Telephone System. *

The "Commissary Fund" is generally referred to as the "Trust Fund" and the "funds of federal prisoners" as the "Inmate Deposit Fund".

The Trust Fund's purposes remain essentially the same as when created:

- ◆ To maintain inmates' monies (Deposit Fund) while they are incarcerated.
- ◆ To provide inmates the privilege of obtaining merchandise and services either not provided by the Bureau or of a different quality than that provided by the Bureau.

2. OVERVIEW. The **management of inmate funds** and the **operation of the Trust Fund**, as authorized, are designed primarily for the benefit of inmates. Use of Trust Fund services is, however, a privilege granted each inmate; therefore, the Warden or an authorized representative may limit or deny the privilege of a particular inmate. Similarly, the maximum amount that may be expended by an inmate for Trust Fund items or services is a controllable privilege. The number of times an inmate may visit the Commissary is controlled by the administration of each institution. The number of visits and hours of Trust Fund operations are established in accordance with available staff resources, considering the time required for office duties, receiving, stocking, cleaning, inventory management, etc.

3. SOLE AGENCY FOR PURCHASE BY INMATES. The institution Trust Fund operation shall be the sole agency for purchase by inmates of approved articles or services not routinely supplied by the institution.

4. TRUST FUND COMPUTER OPERATIONS. Various Chapters of this Manual refer to operations conducted on the Federal Prison Point of Sale (FPPOS) or the Inmate Telephone System (ITS) computer systems. All procedures conducted on the FPPOS System are to be performed in accordance with the Federal Prison Point of Sale Technical Reference Manual; all procedures conducted on the ITS are to be performed in accordance with applicable manuals. *

*

Computer security shall be maintained in accordance with the Program Statement on Computer Security. Access to Trust Fund computer systems shall be limited to staff who have been assigned by the Trust Fund Supervisor to perform or manage operations conducted on these systems. Computer hardware will be secured (completely logged out) when not in use.

Chapter 4502 - Trust Fund Operations and Controls

1. PURPOSE AND SCOPE. This Chapter establishes guidelines for the operation and control of Trust Fund programs, including the Inmate Deposit Fund (inmate monies trust account).

2. CONTROLS AND RESPONSIBILITIES. The Trust Fund (15X8408) and the Inmate Deposit Fund (15X6085) are the control accounts for Trust Fund operations. These two appropriation-level accounts and their related general ledger accounts shall be maintained using Generally Accepted Accounting Principles (GAAP), the Financial Management System (FMS), the Financial Management Information System (FMIS), the Federal Prison Point of Sale (FPPOS) System and the Inmate Telephone System (ITS). Specific policy governing the operation of these accounts follows in subsequent Chapters of this Manual and the Accounting Management Manual.

The Controller is delegated responsibility for overall control at the institution of the Trust Fund operation and Inmate Deposit Fund accounts. The Trust Fund Supervisor is responsible for managing the day-to-day operations relating to the Commissary, ITS, Warehouse, and Laundry to ensure compliance with all operational policies, reporting requirements, and budgeted resources.

* Principal financial statements plus an annual report on results of operations are prepared by Central Office Trust Fund Branch * staff. Upon request, these statements and the report may be made available to the public.

The financial records and procedures of each institution shall be independently audited to ensure that operations and inmate funds are properly safeguarded. The audit shall be conducted by a team of Bureau personnel from other institutions and Central/Regional Offices.

3. COORDINATOR. The Chief, Trust Fund Branch is responsible for addressing questions of policy, distributing funds and allocating positions.

The Chief, Trust Fund Branch shall ensure that in accordance with the settlement agreement in the Washington vs Reno, consolidated civil case nos. 93-217, 93-290 (E.D.KY) litigation:

◆ The Bureau shall conduct two surveys comparing the prices of selected items sold in the Commissaries of several correctional institutions operated by the Bureau of Prisons with the prices of identical or similar items sold in retail convenience stores and supermarkets in the community surrounding the correctional institutions. One survey shall be conducted within 12 months

of the Court approval of the settlement agreement, and a second survey shall be completed within three years after the first survey.

◆ If the debit rates under the New Telephone Contract ("New Debit Rates") are set by the Bureau, the New Debit Rates charged to inmates in correctional institutions operated by the Bureau shall not exceed the highest debit rates charged to inmates in the state correctional institution having the highest debit telephone rates.

◆ The Trust Fund receives four million (\$4,000,000) from the Bureau and shall distribute the four million dollars to correctional institutions within four years of the date of the Court approved settlement agreement. The Warden shall use the funds received from this distribution for purposes that accrue to the benefit of the inmate body as a whole such as amusements, education, library and general welfare work. The Warden shall establish a procedure for receiving the inmates' suggestions and recommendations for how these funds should be spent.

◆ Fifty percent of the salaries and benefits of the Trust Fund Supervisor are to be paid from the S&E appropriation.

Each pay period, 50 percent of **all hours** (50 percent of regular hours; 50 percent of overtime hours, etc.) recorded for the Trust Fund Supervisor shall be charged to the S&E Appropriation: X23-XXX-C-320-536-89K (X is the fiscal year; XXX is the institution code).

Fifty percent of **all hours** recorded for the Trust Fund Supervisor shall be charged to the Trust Fund Appropriation: X43-XXX-7-320-536-89K (X is the fiscal year; XXX is the institution code).

Chapter 4503 - Accountability of Employees

1. PURPOSE AND SCOPE. This Chapter details the responsibilities of staff involved in the maintenance of the Inmate Deposit Fund and the operation of the Trust Fund Commissary and Inmate Telephone System (ITS). This policy relates to all staff having any managerial or operational functions dealing with inmate monies, including, but not limited to, visiting room personnel, Inmate Systems Management staff, and Office of Financial Management staff.

Bureau employees are prohibited from receiving funds or gifts from inmates for personal use, for investment for an inmate, or for any other purpose except as herein prescribed.

2. FINANCIAL RESPONSIBILITIES. Employees whose duties include handling monies belonging to inmates or who make entries to inmates' Deposit Fund accounts shall be personally liable for the accuracy of their work. All staff shall be held responsible for the proper disposition (entries) of funds and shall provide restitution to the proper Inmate Deposit Fund account for any losses occasioned by their error or negligence.

3. RESOLUTION OF ERRORS. The majority of instances involving loss or shortage are explainable and the funds shall be restored immediately. Errors such as entering the incorrect inmate name or register number on the receipt, depositing funds to the incorrect account, and selling or withdrawing from the incorrect account(s) shall be corrected by:

- ◆ Restitution by employee(s) involved.

- ◆ Adjusting the inmate account(s). Adjustments shall be made and documented regardless of the current balance in the inmate account(s). Credit ("red") balances must be documented with information as to how the error occurred and what efforts were initiated to resolve the credit balance.

Any adjustment made to an inmate account shall be adequately documented with reference to the source of the error. If adjustments create a credit balance on an inmate account record, procedures outlined in the Accounting Management Manual shall be followed.

If relief is sought, documentation and application for relief shall be forwarded to the Chief, Finance Branch through the appropriate Regional Comptroller.

Chapter 4504 - Utilization of Trust Fund Financial Resources

1. PURPOSE AND SCOPE. This Chapter details the utilization of Trust Fund financial resources. The Trust Fund Appropriation (15X8408) manages funds that are distributed under the following Decision Units, which require expenditures under the designated Cost Centers only:

◆ Decision Unit 1. Trust Fund Commissary Operations (Cost Centers 123, 223, 323); Commissary Renovations (Cost Center 388).

* ◆ Decision Unit 2. Trust Fund Profit Sharing (Cost Centers 123, 223, 323 for general profit sharing; 312, 316, 313, and 367 for inmate programs). *

◆ Decision Unit 6. Trust Fund Training (Cost Center 124).

◆ Decision Unit 7. Trust Fund Inmate Telephone System Operations (Cost Centers 120, 220, 320).

2. TRUST FUND OPERATING FUNDS. The Trust Fund shall use financial resources for the following purposes:

- ◆ Salaries and benefits for Trust Fund employees.
- ◆ Commissary resale merchandise.
- ◆ Services for the operation of the ITS.
- ◆ Commissary and ITS computer systems.
- ◆ Commissary and ITS personal property (freezers, safes, shelving, etc.).
- ◆ Commissary and ITS operating supplies.
- ◆ Salaries for inmate workers employed by the Commissary.

3. TRUST FUND RESERVE FUNDS. The Trust Fund shall maintain financial reserves for the following purposes:

- ◆ Renovate Trust Fund facilities.
- ◆ Replace outdated equipment (capital expenditures).
- ◆ Activate new Trust Fund facilities.

- ◆ Initiate new Trust Fund programs.
- ◆ Respond to unforeseen contingencies (sales merchandise and equipment replacement due to hurricanes, fires, etc.).

Annually, the Trust Fund Branch shall develop a plan for the renovation or modernization of Trust Fund facilities. The Budget Execution Manual provides instructions for requesting renovation funds.

Requests for startup funds and positions for activation of new facilities (Commissary and ITS operations) shall be forwarded from the Regional Activation Coordinator or Regional Comptroller to the Chief, Trust Fund Branch approximately 10 months prior to the anticipated activation date.

4. TRUST FUND PROFITS. The Chief, Trust Fund Branch shall annually review the financial status of the Trust Fund to determine whether funds are available for distribution of profits to institutions. If funds are not available, no distribution shall be made. If funds in excess of operating expenses and required reserves are available, they may be distributed based on the institution population and the performance of each institution's operation measured against established Performance Objectives. Performance Objectives for the year shall be announced in October. The evaluation of performance and determination of the institution's profit-sharing amount shall be determined after the close of the Fiscal Year. The Chief, Trust Fund Branch shall make the distribution of funds for expenditure in the next year through an allotment advice to the regions.

Trust Fund profits may not be used for the personal benefit of individual inmates, but shall be used to provide benefit or the opportunity to benefit all inmates. In addition, profits may not be used to purchase items ordinarily procured from funds appropriated by Congress for care of prisoners.

- * a. Authorized Expenditures of Trust Fund Profits. Trust Fund profits may be expended on items, services, and programs as follows:

- ◆ **Prizes and Awards** such as soft drinks, snacks (such as popcorn, chips, or ice cream), or other non-property type items for field day events, recognition gatherings, talent shows, and bingo.

- ◆ **Recreation Activities** such as movies, cable television, educational tapes and books, board/card games and game tables, entertainment such as guest speakers, plays, musical groups, pay-per-view television events.

Note: Funds under this category for purchasing movies and cable television are subject to restrictions. They may only be used to purchase a single premium cable movie television channel or a video license and video rentals.

If the institution has sufficient Trust Fund Profit Sharing funds, such additional cable services as ESPN, MTV, Black Entertainment Channel (BET) or Univision (Spanish Channel) may be purchased. However, the institution is still limited to one premium movie channel if the institution does not purchase a video license and rentals.

Satellite dishes may be purchased only when a request is approved by the Regional Director and the Chief, Trust Fund Branch.

- ◆ **Arts and Crafts Activities** and instructors for arts and craft activities.
- ◆ **Recreation Programs, Equipment and Supplies** such as non-electronic score boards, team shirts, non-electronic musical instruments, recreational equipment and supplies, etc.
- ◆ **Educational Programs and Supplies** such as self-help and educational videos, equipment for audio visual centers in libraries, subscriptions to vocational magazines, library books, etc. which are in addition to the standard items which are purchased by S&E. Educational programs may include instructors, speakers and seminars of vocational or life-skill value (job interview skills, resume writing,) job fairs, etc.
- ◆ **Inmate Services Items** such as microwaves for inmates to use with Commissary purchased items, televisions for television rooms in excess of any supplied under the S&E appropriation, washers and dryers for inmate use (provided the institution has a regular institution laundry operation), popcorn machines, typewriters and typewriter supplies, microwave ovens, etc.

- ◆ **Holiday Programs** such as special seasonal programs, unit and visiting room holiday decorations; inmate holiday gift packages, etc.
- ◆ **Inmate Health/Fitness Programs** such as instructors and supplies for wellness, nutrition, physical fitness, and health fairs, etc.
- ◆ **Childrens Items/Programs** for children of inmates, such as games, books, toys, play areas with playground equipment, Family Day Activities, etc.
- ◆ **Activities of Inmate Organizations** - activities of Inmate Organizations which the Warden approves under the Program Statement on Inmate Organizations. This may include a special meal for an inmate organization event provided the meal is provided in accordance with other Bureau policy.
- ◆ **Other items** as approved by the Assistant Director for Administration under these guidelines.

b. Special Allotments for Inmate Programs. The Trust Fund may provide special allotments for certain inmate programs. Only the specified amount of the Trust Fund allotment is to be used to fund each program.

- ◆ **Inmate Performance Pay.** Beginning in Fiscal Year 1999, the Trust Fund will provide an allotment for Inmate Performance Pay (IPP) at institutions. Only the specified allotment of the Trust Fund profit distribution is to be used to pay inmate salaries (i.e. other profit sharing funds may not be used to fund additional inmates) and this allotment may not be used for other profit sharing purposes or for other Trust Fund or S&E purposes.
- ◆ **Base Recreation Operating Costs.** Beginning in Fiscal Year 1999, the Trust Fund will provide an allotment for the basic operating costs of the Recreation program. This allotment is to be used for contracts, supplies, and equipment related to fulfilling the mission of the Bureau's inmate Recreation program. This allotment shall not be supplemented with other S&E funds.

Note: The S&E appropriation will continue to be used for staff related expenditures such as salaries, benefits, travel, and training.

- ◆ **Other Inmate Programs.** The Trust Fund may provide special allotments for inmate programs such as Advanced Occupational Education, Artists in Residence, Inmate Placement, Beckley Responsibilities and Values Enhancement (BRAVE), and Challenge, Opportunity, Discipline, Ethics (CODE), etc. An allotment for these programs may be used for contracts, supplies and equipment related to the designated program. No funds from these allotments is to be expended for employee salaries, benefits, travel or training.

c. Prohibited Uses of Trust Fund Profits. Expenditures of Trust Fund profits are not to be made for the following:

- ◆ Individual items of clothing or property for inmates such as sweatsuits, shoes, bedding, etc.
- ◆ Instruction (live or broadcast) or training equipment for boxing, wrestling, judo, karate, or other martial arts, or for the purchase of any bodybuilding or weight lifting equipment.
- ◆ Electric or electronic musical instruments.
- ◆ Premium movie cable television channel or video rentals which provide for the viewing of R, X, or NC-17 rated movies unless procedures have been implemented to prohibit these types of rated movies from being viewed by the inmate population.
- ◆ Construction or renovation of buildings, running tracks, gymnasiums, playing courts and fields. See Paragraph 3 for approved renovations.
- ◆ Items which are security related such as radios, handcuffs, fences, razor wire, high mass lighting etc.
- ◆ Prepared meals from outside sources such as Dominos Pizza, Kentucky Fried Chicken, Burger King Burgers/Fries etc.
- ◆ Utility expenses such as water, electric, etc.
- ◆ Medical services, supplies or medical equipment which are the responsibility of the Health Services Budget.
- ◆ Barber Shop/Beauty Shop Equipment/Supplies.

- ◆ Basic furniture for living units or the visiting room such as chairs, tables; furnishings such as in-cell coffee pots or in-cell televisions.
- ◆ Funds paid directly to inmates or loans to inmates and donations to charities or dues to National organizations.
- ◆ Items, or programs which are the primary responsibility of another Department which has been provided S&E funding for that purpose (i.e., Education/Legal/Food Service/Medical).

d. Questions regarding appropriate uses of Trust Fund profits shall be directed to the Chief, Trust Fund Branch, Central Office. *

5. ALLOCATION OF FUNDS AND POSITIONS - TRUST FUND APPROPRIATION.

Funds for Trust Fund operations are authorized by the Chief, Trust Fund Branch and distributed through the Bureau Budget Execution process. Regulations concerning obligation and accounting for funds from the 15X8408 Appropriation are found in the Accounting Management Manual and the Budget Execution Manual.

The Chief, Trust Fund Branch shall annually issue guidelines for the submission of budget requests for the upcoming year. Certain operating funds, such as inmate pay, overtime, and operating supplies, shall normally be distributed by equity formula.

Requests for equipment replacement and funds for renovation of Commissary facilities shall be part of the annual budget submission. Institutions requesting funds in excess of the yearly allotment for any designated category (Object Class) (i.e., emergency need for equipment replacement, special needs for additional telephone services) shall route the request through the Regional Comptroller to the Chief, Trust Fund Branch for consideration of funding. In all cases, funds must be approved and allotted prior to expenditure by the institution.

The Chief, Trust Fund Branch allots approved Trust Fund positions through the Budget Execution process. Positions are normally allotted to institutions based on an equity formula. Requests for Trust Fund positions shall be routed through the Regional Comptroller to the Chief, Trust Fund Branch for review and approval. Funds from the Trust Fund Appropriation may be used to fund only the number of authorized Trust Fund positions. At no time shall Trust Fund funds be expended for the regular salary of any positions in excess of the number authorized.

To ensure meeting the terms of the Washington vs Reno litigation settlement agreement, changes in the duties and responsibilities and/or the position description of the Trust Fund Supervisor shall require concurrence of the Chief, Trust Fund Branch. See Chapter 4502 for information on accounting for the Trust Fund Supervisor position.

The Trust Fund Supervisor shall ensure the operation is managed within the allotted budget resources (funds and positions).

The Trust Fund Supervisor is the Cost Center Manager for X4 Cost Centers (Decision Unit 1, Cost Center 323; Decision Unit 2, Cost Center 323; Decision Unit 7, Cost Center 320) and must follow the requirements in the Budget Execution Manual for assigning a control number and certifying funds are available for purchases from their cost center. The use of the fund control system is optional for purchase of Commissary resale items. In lieu of using the standard system for fund control of resale items, the Trust Fund Supervisor must review FMS or FMIS reports at the end of each month to ensure obligations for resale items do not exceed the allotted budget plan for this category. Copies of the monthly review shall be maintained on file. The Trust Fund Supervisor may also be the Cost Center Manager for Cost Center 323, Inmate Services. The appropriate Cost Center Manager is responsible for funds allotted to special programs under Paragraph 4.b. *

6. PERSONAL PROPERTY. Policy regarding the purchase of capitalized and non-capitalized personal property from the Trust Fund Appropriation is found in Chapter 4507 of this Manual.

7. GIFTS AND BEQUESTS. The Attorney General may accept gifts or bequests of money for credit to the Trust Fund appropriation. The authority to accept gifts or bequests has been delegated to the Director, Bureau of Prisons (28 CFR 0.96(f), and is redelegated to the Assistant Director, Administration Division and the Chief, Trust Fund Branch.

Chapter 4505 - Inmate Trust Fund Workers

1. PURPOSE AND SCOPE. This Chapter describes the roles of inmates and outlines conditions and procedures for compensating inmates employed in Trust Fund operations.

2. CONDITIONS. Inmates receive compensation from the Trust Fund appropriation for work performed in the Commissary. Inmates shall have no duties assigned related to the ITS and no compensation is authorized for that purpose.

3. RATE OF PAY. The hourly rate of pay for inmates assigned to the Commissary is:

- \$.55 per hour starting.
- .75 per hour after 3 months' service, if warranted.
- .95 per hour after 6 months' service, if warranted.
- 1.20 per hour after 9 months' service, if warranted.

Any increase in pay (which shall not exceed \$1.20 per hour) shall be based upon the inmate's work performance and availability of funds.

4. PAYROLL. Optional Form 1017G (Journal Voucher) shall be used to prepare the monthly payroll. Payroll documentation shall include the name and register number of each inmate worker, the period covered, the hourly rate, and the gross pay.

The payroll is certified with the following statement:

"I certify that this payroll is for payment to inmates whose employment is directly related to Trust Fund sales activity."

The payroll shall be prepared by the Trust Fund Supervisor or designee and approved by the Controller. The Trust Fund Supervisor shall ensure that expenditures for inmate pay do not exceed the authorized cumulative Trust Fund quarterly allotment of funds for inmate salaries.

Relatively short absences due to call outs, hospitalization, sick line, etc., do not affect the period covered.

5. PART-TIME WORKERS. Inmates working part-time in the Commissary during the evening and at other jobs during the day may be paid Performance or UNICOR pay for the daytime jobs and Trust Fund pay for the evening work. Good judgement must be used when employing an inmate in two areas, with consideration given to work schedule and security conflicts.

6. RESTRICTIONS ON INMATE DUTIES. Inmates shall not have access to the Federal Prison Point of Sale (FPPOS) system or Inmate Telephone System (ITS) computers except through the Automated Inquiry Machine (AIM) or the ITS telephone to access personal account information. Inmates shall not have access to Trust Fund computer manuals. Inmates shall not at any time handle other inmates' original Commissary sales receipts, or aid in sales reconciliation procedures. Inmates shall not participate in Commissary inventories other than moving cartons to facilitate the count. Inmates shall not handle documents related to the operation of the ITS, unless expressly authorized in this Program Statement or other Bureau policy.

Chapter 4506 - Trust Fund Purchasing and Receiving

1. PURPOSE AND SCOPE. This Chapter outlines purchasing and receiving procedures under the Trust Fund Appropriation.

2. GENERAL PURCHASING/REPORTING REQUIREMENTS. Trust Fund funds shall be used to purchase supplies and equipment directly related to sales functions. The funds shall not be used to procure plumbing, electrical, air conditioning, or any other types of maintenance equipment and supplies except for funds approved under the formal Trust Fund renovation process.

Trust Fund contracts and purchase orders shall be subject to the same rules, regulations, and limitations governing institution transactions, with the exception that it is optional for institutions to obtain competitive bids for Trust Fund merchandise purchased for resale in the Commissary. In addition, it is not mandatory that Federal Supply Service (FSS) schedules be used to purchase items for resale. By approval of the Commissioner, General Services Administration (GSA), on September 13, 1963, stock items may also be purchased through the GSA Supply Catalog for resale in the Commissary. When the procurement is not competitive and specific brands of merchandise are required, care shall be exercised that the procurement is made directly from a manufacturer or distributor who provides a fair and reasonable cost.

3. PURCHASING AND RECEIVING

◆ Purchase. Requests for Purchase (BP-101) and Purchase Orders for supplies, equipment, and services from the Trust Fund Appropriation shall be prepared in accordance with the procedures outlined in the BOP Acquisition Policy. Additional procedures for purchasing equipment from the Trust Fund Appropriation are detailed in Chapter 4507 of this Manual.

◆ Receipt. Upon receipt of Trust Fund supplies, equipment and services at the institution, a Receiving Report (Purchase Order for complete order and BP-104 for partial order) or other approved receiving document shall be prepared and processed in accordance with Chapter 4573 of this Manual.

◆ Use of Government Credit Card for Trust Fund Purchases.
The Government Credit Card shall be used to procure Trust Fund supplies, equipment, and services within the \$2,500 limit as authorized under the procedures outlined in the Government Commercial Credit Card Program.

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4. PURCHASING/RECEIVING SPECIFICALLY RELATED TO THE PURCHASE OF COMMISSARY RESALE MERCHANDISE. Chapter 4527 of this Manual includes specific requirements for purchasing and receiving Commissary resale items. The special procedures required to use the Government Credit Card for purchases of Commissary merchandise are outlined in Chapter 4527 of this Manual.

5. CASH PURCHASE PROCEDURE. Institutions may use cash purchase procedures for making purchases for the Trust Fund (15X8408) in accordance with the Accounting Management Manual. Receiving Reports shall be prepared for all purchases of merchandise bought for resale in the sales unit.

Chapter 4507 - Trust Fund Personal Property

1. PURPOSE AND SCOPE. This Chapter details procedures for obtaining personal property through the Trust Fund Appropriation.

2. PURCHASE OF PERSONAL PROPERTY. Capitalized or non-capitalized personal property shall not be obtained (donated or purchased) without prior approval from the Chief, Trust Fund Branch. The definition of personal property is found in the Property Management Manual.

All personal property purchased from 15X8408, Trust Fund Appropriation, must be Commissary or ITS sales or sales-related items. Requests for personal property shall normally be submitted through the annual budget request process. An individual justification (BP-135) shall be submitted to the Chief, Trust Fund Branch through the Regional Comptroller, as indicated in the Budget Execution Manual except as outlined below in Paragraph 8. If approved, the request will receive a Special Authorization (SA) Number. This number shall appear on the Purchase Order in the Request for Purchase block. The SA Number also provides authority to expend Trust Fund funds for personal property items.

SA Numbers are required for the purchase or rental of a copy machine used for inmate copy operations. However, the Department of Justice forms are not required when the copy machine is funded through the Trust Fund Appropriation.

3. CONTROLLED/CAPITALIZED PERSONAL PROPERTY. Controlled or capitalized (more than \$5,000 in value) personal property (see Property Management Manual) purchased from the Trust Fund Appropriation shall be entered into the SENTRY Property Management System (SPMS) and maintained in accordance with guidance provided in the Property Management Manual.

Note: A waiver was granted to the Trust Fund to exclude non-capitalized FPPOS computer equipment (computers, printers, scanners, etc.) from the controlled property listing. All other Trust Fund equipment, including FPPOS equipment over \$5,000, shall continue to be controlled in SPMS in accordance with the Property Management Manual.

4. CAPITALIZED PERSONAL PROPERTY PURCHASED FROM PROFIT SHARING FUNDS. Equipment purchased from Trust Fund profit distributions shall be handled in the same manner as all other capitalized personal property. Upon receipt, the item(s) shall be entered into the SENTRY Property Management System (SPMS) under the

Salaries and Expense Appropriation (Cost Center where item is located). An entry into FMS shall be made in accordance with guidelines in the Accounting Management Manual. The purchase of capitalized or non-capitalized personal property, using Trust Fund profit-sharing funds, does not require prior approval or a Special Authorization (SA) Number from the Chief, Trust Fund Branch.

5. PERSONAL PROPERTY FROM SURPLUS SOURCES. Personal property may be acquired from surplus sources. Procedures outlined in the BOP Acquisition Policy (521BPAP) and the Property Management Manual for obtaining items from surplus sources shall be followed.

6. SURVEY OF TRUST FUND PERSONAL PROPERTY. Central Office Trust Fund Branch approval is not necessary before disposing of Trust Fund-controlled personal property. A Report of Survey (BP-111) shall be prepared and processed in accordance with the Property Management Manual.

A copy of the Report of Survey for Trust Fund personal property damaged or lost through unusual circumstances, such as fire or theft, shall be forwarded through the Regional Comptroller to the Chief, Trust Fund Branch promptly after completion. An explanation of circumstances relating to lost property must accompany the Report of Survey.

* 7. TRANSFER OF PERSONAL PROPERTY. Equipment, purchased with Trust Fund funds for use in the Trust Fund operation, which is no longer being used should be made available to other Bureau Trust Fund operations prior to being transferred to another non-Trust Fund appropriation either locally or at another institution. If efforts have been exhausted for transferring the property within the Bureau, the property may be offered as excess property outside the Bureau consistent with the Property Management Manual. *

◆ Transfer Between Institutions. Personal property may be transferred from one institution Trust Fund operation to another using the guidelines for transferring excess property outlined in the BOP Acquisition Policy, the Property Management Manual, and the SENTRY Financial Management Technical Reference Manual.

Equipment may be transferred from one Trust Fund operation to another without Trust Fund Branch approval by using the SENTRY Property Management System (SPMS) Transfer Out (TRO) function using Appropriation X4, Cost Center 322, PMS 538, as the warehouse storage code. When the X4 Appropriation is used for the TRO function, FMS entries are accomplished automatically and

no manual entries are required. Manual entries are required in FMS only if Trust Fund equipment is transferred to a different appropriation.

◆ Transfer from Trust Fund to Other Appropriations.

Institutions planning to transfer personal property from the Trust Fund Appropriation to another appropriation shall submit a completed Stores Requisition (BP-100) through the Regional Comptroller to the Chief, Trust Fund Branch for approval prior to transfer. This requirement does not apply to equipment purchased under the Trust Fund profit-sharing program.

* 8. TRUST FUND EQUIPMENT PRIORITY LIST. Annually, institutions shall develop their equipment needs along with the budget request for operational expenses in accordance with the Budget Execution Manual. Each institution will be supplied a minor equipment budget as a standard part of the initial financial plan for the * purchase of Commissary related equipment only. These funds may be expended for minor equipment under one Special Authorization Number (provided with the financial plan) except that these funds shall not be used to purchase computer equipment or computer peripherals. An individual Equipment Justification (BP-135) is required for any requested major or minor equipment (controlled, capitalized, and non-capitalized) which is in addition to the above referenced initial \$1,500 allotment or for any computer equipment. Funding and Special Authorization Numbers for approved items shall be included in the initial financial plan.

Supplemental requests, including the BP-135, for any major or minor equipment shall be forwarded to the Chief, Trust Fund Branch through the Regional Comptroller. If approved, a Special Authorization (SA) Number will be assigned. SA Numbers shall be placed on all procurement documents to support the procurement.

* **Chapter 4508 - Trust Fund Document Retention Schedule**

1. PURPOSE AND SCOPE. This Chapter provides guidelines for the length of time Trust Fund documents are to be retained before destruction or archiving. This Chapter is intended as a guide for Trust Fund documents, and it and all other documents will be retained as referenced in the Financial Management Technical Reference Manual.

2. DOCUMENT ORIGIN. The originator of records maintained at the institution, region, and Central Office levels is the office of record for retention and disposition. Duplicate copies of records may be maintained at the Region or Central Office levels as necessary for Program Review analysis, and may be disposed of at that particular office's discretion.

3. RETENTION SCHEDULE FOR TRUST FUND DOCUMENTS.

- a. Trust Fund Federal Prison Point of Sale (FPPOS) System.

<u>Title of Forms</u>	<u>Disposal Instruction</u>
1. Sales Receipts and Cash Drawer Summary Packets/Close the Store Report	Retain six years and three months after the end of the fiscal year and destroy at the end of retention period.
2. Inventory Adjustments	Destroy two years after date of survey action or date of posting medium.
3. Cost/Sales Price Changes	Destroy two years after date of survey action or posting medium.
4. Detail Control Account Monthly/ Financial Statement	Destroy three years after the end of fiscal year or the period covered.
5. FY XXXX 4th Quarter Backup (End-of-Year)	Retain six years after the end of the fiscal year and reformat and destroy cartridge at end of retention period.
6. Quarterly Backup	Retain current fiscal year; at end of retention period cartridge may be reused.

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| 7. | Year-end Close-out
Procedure Files | Retain two years after the end
of fiscal year and destroy at
the end of retention period. |
| 8. | Report of Survey
(Commissary Copy) | Destroy two years after date
of survey action. |
| 9. | Fund Control Records | Retain two years after the end
of fiscal year and destroy at
end of retention period. |
| 10. | Receiving Reports
(FPPOS and Warehouse
Copy) | Retain two years after the end
of fiscal year and destroy at
the end of retention period. |
| 11. | Special Purpose Orders | Retain two years after the end
of the fiscal year and destroy
at the end of the retention
period. |
| 12. | Purchase Request
(Warehouse Copy Only) | Retain one year after the end
of the fiscal year and destroy
at the end of the retention
period. |
| 13. | FPPOS Generated Request
for Purchase | Retain one year after the end
of the fiscal year and destroy
at the end of retention
period. |
| 14. | Stock Record Cards | Retain two years after the end
of the fiscal year and destroy
at the end of the retention
period. |
| 15. | Inventory Reports
(Worksheets, Stock
Status, etc.) | Retain two years after the end
of the fiscal year and destroy
at the end of the retention
period. |
| 16. | Daily Balancing Reports
(FPPOS Inventory) | Retain one year after the end
of the fiscal year and destroy
at the end of retention
period. |
| 17. | Clothing Issue Records | Destroy upon transfer or
release of inmate. |

b. Trust Fund Inmate Telephone System (ITS).

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| 1. | Monthly Six Part Folder | Retain two years after the end of the fiscal year and then destroy. |
| 2. | Monthly Real Time Activity Report | Retain most recent 12 months and then destroy. |
| 3. | ITS Transaction Control Log Book | Retain two years after the end of the fiscal year. Multiple years may be included in one log book. |
| 4. | Telephone Number Request Forms | Retain 30 days, then destroy. |
| 5. | Requests for Denial or Removal of a Telephone Number | Records shall only be removed from this file when an inmate is released or transferred. |
| 6. | Individual Inmate Balance | Retain the most recent seven days then destroy. |
| 7. | Quarterly Back-up Tape Number 1 | Retain six years in a fire resistant compartment in a secure location separate from the ITS computer equipment. |
| 8. | Quarterly Back-up Tape Number 2 | Retain three months in a fire resistant compartment in a secure location separate from the ITS computer equipment, then reuse. |
| 9. | Trouble Reporting Log Book | Retain one year after the end of the fiscal year. Multiple years may be included in one log book. * |

Chapter 4520 - Security - Commissary

1. PURPOSE AND SCOPE. This Chapter details minimum guidelines for maintaining the security of the Commissary.

2. COMMISSARY SECURITY. Security is of utmost importance to all personnel involved in Trust Fund operations. Merchandise lost through negligence or theft by inmates reduces the funds available for the total Trust Fund operation. The minimum security standards for Commissary procedures are:

- ◆ All inmate workers entering or leaving the Commissary must be pat searched. Occasional visual searches (strip searches) are authorized and shall be conducted in accordance with the Program Statement on Searches of Housing Units, Inmates, and Inmate Work Areas.

- ◆ All trash leaving the Commissary must be searched by a staff member. Boxes and cartons shall be broken down.

- ◆ Inmates who steal merchandise from the Commissary are subject to a disciplinary action in accordance with the Program Statement on Inmate Discipline and Special Housing Units.

- ◆ No more inmates than staff can effectively manage and control shall be permitted to work in the Commissary during the sales period. Inmates shall never work in the Commissary without staff supervision. At no time shall inmates be locked in the Commissary without a staff member present.

- ◆ At least annually, at the Controller's request, a Correctional Services staff member shall perform a complete security review, including a check of the physical facilities of the Trust Fund operation. This review will be accomplished by summarizing the quarterly security reviews as outlined in the Correctional Services Manual. A written report of the findings shall be submitted to the Controller and Trust Fund Supervisor. The Controller shall notify the Chief, Trust Fund Branch through the Regional Comptroller of any significant security problems identified in the reviews.

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3. KEY SECURITY. Trust Fund operation keys are considered "hot" keys and shall only be issued to designated staff. Employees assigned to work in the Commissary, the Controller and/or the designated supervisor of Trust Fund operations, may have keys to the Commissary and storage areas on a 24-hour check out basis. Employees not directly assigned to the Commissary or storeroom shall not have keys to these areas. A key to the Commissary and storage areas shall be kept under glass in the control room for emergencies (e.g., fire or refrigeration breakdown). Trust Fund keys in the control room shall have the same restrictions as those imposed on the key to the tele-key cabinet.

When it is considered to be in the best interest of the Bureau that Trust Fund keys remain at the institution, the following procedures shall be followed. A special wood/metal box(s) with a glass front, large enough to contain the entire Trust Fund key ring(s), (or an individual Trust Fund key ring) shall be constructed and placed in the control room. At the end of each work day, the Trust Fund ring(s) shall be securely locked in this box. A key to the locked box may be checked out on a 24-hour basis to designated employees assigned to the Commissary, the Controller and/or the designated supervisor of Trust Fund operations. In an emergency, the glass may be broken to obtain the keys. After any such incident, a memorandum shall be forwarded to the Controller documenting the situation that required emergency key access.

4. HOT ROOM SECURITY. Each institution shall establish local procedures, either as a separate Institution Supplement, or as a component of a consolidated Institution Supplement on Trust Fund operations, for a "hot room" in the warehouse to secure Trust Fund merchandise upon receipt. The "hot room" must be a secure locked area in the warehouse separate from other institution storage areas. Only Trust Fund merchandise shall be stored in the "hot room." At no time shall inmates be allowed access to the "hot room" unless supervised by warehouse staff. When warehouse space is not available, Trust Fund merchandise shall be received directly into the Commissary. In no circumstances shall Trust Fund merchandise be left in an unsecured area in the warehouse.

5. MERCHANDISE SECURITY. Proper and positive identification of inmates is essential. A sale shall be made only after the inmate has been positively identified by checking the Inmate Account Card photograph. If the institution has not implemented the Inmate Account Card Program, an Institution Supplement addressing procedures to positively identify inmates must be established.

To ensure that sales items are not concealed inside one another or otherwise mishandled, a staff member shall pass merchandise through the sales window to the inmate. Staff shall not rely on inmate employees for a count of the quantity sold or for the item numbers of the merchandise sold.

Care must be exercised in moving inventory from the warehouse to the Commissary. When supplies must be moved across the compound, institutions should consider a covered, securable container. No more inmates than can be properly supervised shall be used to transport supplies.

Small valuable items (watches, radios, tokens, etc.) shall be kept in a securely locked location. Only the minimum number of items expected to be sold during a sales period shall be removed from the secure location.

6. COIN AND STAMP SECURITY. Coins and postage stamps brought to the sales counter shall be secured in a locking drawer, cabinet, or other lockable container at the sales counter, and returned to the safe when sales are not being conducted.

* A running inventory of the total quantity of coins and stamps shall be maintained on a Stock Record Card (BP-109) or in a ledger book for each accountable salesperson. The Stock Record * Card shall be updated after each sales period to reflect the number of coins and stamps sold. Any unreconciled discrepancy must be reported by close of business the following day to the Trust Fund Supervisor, who shall initiate appropriate action for resolution as prescribed in Paragraph 7 below.

A fire-resistant, sturdy, and physically substantial safe containing separate lock-compartments (either by key or combination) shall be used to maintain the stock of coins and stamps for the Commissary. The compartments must be numbered and labeled on the outside door of each compartment. A safe with a lockable external door is preferred. Those institutions, where no coins are maintained in the Trust Fund inventory, may use a sturdy fire-resistant locking cabinet for stamps.

The safe must be located in a room or office that is secure and separate from the general Commissary stock areas. As an example: The safe shall not be located in an area where inmates may have an opportunity to tamper with it. Inmates shall not be in the room/office when the door(s)/compartment(s) are unlocked. Ideal locations include a locked Commissary staff office or "hot room."

The supervisor of Warehouse operations shall be assigned a minimum of one compartment within the safe. Only this individual shall possess the combination/key to his/her assigned compartment.

A separate compartment equipped with a separate combination/key lock shall be assigned to each member of the Warehouse staff conducting Commissary sales. Only the individual assigned to the compartment shall possess the combination/key. A duplicate combination/key to each separate compartment within the safe shall be sealed by the employee in a separate envelope with his/her signature and date placed across the seal. The statement below shall appear on the envelope; the employee shall obtain the signature of the Warden and hand carry the envelope to the security officer, who will maintain it in the tele-key cabinet.

"This envelope containing the duplicate combination/key to (**insert employee's name**) compartment number (**insert compartment number**) of the Commissary safe containing coins and stamps shall be opened only in the presence of two members of the following committee (one of which will be the Controller or the Trust Fund Supervisor):

Controller
Trust Fund Supervisor
Supervisor of Warehouse operations (only if the envelope
does not contain the key/combination to this individual's
compartment)
One other Financial Management employee

Signed _____
(Warden)

Date _____

The procedures listed below shall be followed when a sealed envelope/compartment is opened:

Inventory and compare the number of coins and stamps in the compartment with the information on the stock record cards. Document by memorandum the results of each stamp and coin denomination inventory in the compartment.

Transfer the contents to another appropriate employee using a Stores Requisition, Invoice and Transfer form (BP-100).

Have the two employees who witnessed the opening of the envelope document and sign the inventory.

Provide copies of the inventory to the previous employee who used the compartment, the Supervisor of Warehouse operations, and the Trust Fund Supervisor.

No employee, other than the Controller, Trust Fund Supervisor, Supervisor of Warehouse operations, and the respective member of the Warehouse staff assigned a compartment, shall have access to the combination/key to the external door of the safe.

All safe combinations shall be changed at least once each year. Individual compartment combinations must be changed whenever there is a change in Warehouse staff occupying a Commissary position using the particular compartment. Institution security officers, or locally procured services of a security officer, may be used to obtain technical instructions for changing the combinations. A separate log for each compartment and the external door shall be kept indicating the date and reason for the change; the log shall be permanently posted on the inside of the safe's external door.

The actual setting of the new combination(s) must be personally performed by the member of the Warehouse staff assigned to the compartment. The security officer must not have knowledge of the combination or access to the key to any Trust Fund safe.

All staff must lock or turn the dial on the safe compartments/door when the safe is not in use and any time they leave the office.

7. LIABILITY FOR COINS AND STAMPS. Each member of the warehouse staff is personally liable for all coins and stamps in his/her respective compartment(s). A warehouse staff member, when so directed, shall immediately make good any shortages (see the Accounting Management Manual, and Manual of Procedures and Instructions for Cashiers). Overages shall be handled in accordance with procedures in the Accounting Management Manual for inventory overages. Under no circumstances shall Trust Fund coins or stamps be mingled with other funds/stamps. If, in extraordinary circumstances, the institution seeks formal relief of accountability for any coin shortage, the request must be, according to Federal Statutes, approved prior to processing the Report of Survey. The request and supporting documentation shall be forwarded through the Regional Comptroller to the Chief, Trust Fund Branch for processing.

8. PHYSICAL INVENTORY OF COINS AND STAMPS. A physical inventory of coins and stamps shall be reconciled to the Stock Record Cards, FPPOS and FMS systems balances at least twice each quarter; once, at the same time as the institution's quarterly unannounced cash verification and once as part of the quarterly Commissary inventory.

It is the responsibility of the inventory team to ensure the inventory amounts (counts) are physically present. Example: Each sleeve of coins should be individually counted in each box to ensure the box contains the amount of coins normally in a full box and that no empty boxes are "buried" in a stack of coin boxes.

The coins and stamps shall be counted in each drawer of each safe containing Trust Fund coins and stamps. The inventory count of coins and stamps at one safe shall be followed immediately by the inventory of any other safes which contain Commissary coins and/or stamps. The combined totals for coins and stamps shall be compared to the amounts recorded in FPPOS and FMS using Attachments A, B, C, and D. Any differences between the actual physical inventory and FPPOS and/or FMS must be fully explained.

Differences in inventory balances shall be reconciled in accordance with procedures in Chapter 4580 of this Manual and in the Property Management Manual. Any overages shall be recorded in the accounting system according to the procedure for inventory overages in the Accounting Management Manual.

Attachments A, B, C, and D shall be filed with the institution's quarterly unannounced cash verification documents or the Trust Fund inventory documents depending on the timing of the verification.

In addition to the physical count of coins and stamps, the inventory team shall confirm the presence of coin and stamp checks on hand and "in transit" and reconcile those amounts with the amounts recorded in account numbers 165.1 Stamp Checks in Transit and 166.1 Coin Checks in Transit on the 100.63 General Ledger report. The balance recorded in these accounts should equal the total amount of coin and stamp checks on hand plus the value of any checks which have been keyed into FMS but not received.

Attachment E shall be used to reconcile the Stamp and Coin Check "In Transit" accounts.

UNANNOUNCED OR QUARTERLY TRUST FUND COIN VERIFICATION

Date: _____

PHYSICAL INVENTORY:

Drawer Location/ Responsible Employee	Stock Card Reconciles (Yes/No)	<u>\$10 Quarters</u>		<u>\$5 Dimes</u>		<u>\$2 Nickels</u>		Total Coin Inventory Balance
		Qty	\$ Value	Qty	\$ Value	Qty	\$ Value	
Physical Inventory Coin Balance								
FPPOS Stock Status								
Physical/FPPOS Difference								

Explanation of Differences:

FMS Balance as per Attachment B

Verified by:

 Signature/Title

 Signature/Title

UNANNOUNCED OR QUARTERLY TRUST FUND COIN VERIFICATION

Date: _____

FMS Beginning Coin Inventory (Last Quarter-ending
G/L Account 164.5) _____

Add: Coins Received Since Last Inventory

RR#	Amount
))))))))))))))))))))
))))))))))))))))))))
))))))))))))))))))))
	Coins Received Total _____
	Coins Available for Sale _____

Subtract: Coins Sold Since Last Inventory (From Close The Store)

Sales #	Week/Month	Amount
))))))))))))))))))))))))))))))
))))))))))))))))))))))))))))))
))))))))))))))))))))))))))))))
	Coins Sold Total _____	
	Coin Inventory Per FMS _____	

UNANNOUNCED OR QUARTERLY TRUST FUND STAMP VERIFICATION

Date: _____

PHYSICAL INVENTORY:

Drawer Location/ Responsible Employee	Stock Card Reconciles (Yes/No)	<u>Denomination</u>		<u>Denomination</u>		<u>Denomination</u>		Total Stamp Inventory Balance
		Qty	\$ Value	Qty	\$ Value	Qty	\$ Value	
Physical Inventory Stamp Balance								
FPPOS Stock Status								
Physical/FPPOS Difference								

Explanation of Differences:

FMS Balance as per Attachment D

Verified by:

Signature/Title

Signature/Title

P.S. 4500.04
December 15, 1995

UNANNOUNCED OR QUARTERLY TRUST FUND STAMP VERIFICATION

Date: _____

FMS Beginning Stamp Inventory (Last Quarter-ending
G/L Account 164.4) _____

Add: Stamps Received Since Last Inventory

RR#	Amount	
))))))))))))))))))))	
))))))))))))))))))))	
))))))))))))))))))))	
	Stamps Received Total	_____
	Stamps Available for Sale	_____

Subtract: Stamps Sold Since Last Inventory (From Close The Store)

Sales #	Week/Month	Amount	
))))))))))))))))))))))))))))))	
))))))))))))))))))))))))))))))	
))))))))))))))))))))))))))))))	
	Stamps Sold Total		_____
	Stamp Inventory Per FMS		_____

RECONCILIATION OF IN TRANSIT ACCOUNTS

INSTITUTION _____

DATE: _____

STAMP Checks on Hand:

Date of Check	Check Number	Amount of Check
---------------	--------------	-----------------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

STAMP Checks In Transit:

PO #	Date of FMS Entry	Batch Number	Amount
------	-------------------	--------------	--------

_____	_____	_____	_____
-------	-------	-------	-------

_____	_____	_____	_____
-------	-------	-------	-------

Total Amount of STAMP Checks On Hand/In Transit _____

Balance From Most Recent G/L Acct. 165.1 _____

Difference _____

Explanation _____

COIN Checks on Hand:

Date of Check	Check Number	Amount of Check
---------------	--------------	-----------------

_____	_____	_____
-------	-------	-------

_____	_____	_____
-------	-------	-------

COIN Checks In Transit:

PO #	Date of FMS Entry	Batch Number	Amount
------	-------------------	--------------	--------

_____	_____	_____	_____
-------	-------	-------	-------

_____	_____	_____	_____
-------	-------	-------	-------

Total Amount of COIN Checks On Hand/In Transit _____

Balance From Most Recent G/L Acct. 166.1 _____

Difference _____

Explanation _____

Chapter 4521 - Security - Federal Prison Point of Sale System

1. PURPOSE AND SCOPE. This Chapter establishes the security restrictions for access to the Federal Prison Point of Sale (FPPOS) System.

* 2. SYSTEM SUPERVISOR. The operation of the FPPOS System requires the designation of a System Supervisor. The Trust Fund Supervisor is designated System Supervisor for the FPPOS System. *

3. USER PASSWORDS. Only authorized staff may have direct access to the FPPOS System. To provide access to the system, each employee must be assigned a unique user name. Each user shall choose a password. Passwords should not be obvious, such as a spouse's name, telephone number, etc. Passwords shall be changed at least every six months, in addition to when the need arises (e.g., change of staff).

4. ACCESS CODES. Access codes protect functions on the FPPOS menu. Codes shall be changed as the need arises (possible breach of security, change in staff, etc.).

5. STATION LOCK CODES. Station lock codes must be established for each employee using the FPPOS System. This personalizes the system to each user. Station lock codes shall be changed as the need arises (possible breach of security, change in staff, etc.).

6. FPPOS DATA SECURITY. Routine backups of FPPOS data are necessary to maintain data security and ensure the continued operation of the system.

Daily Backups. The Trust Fund Supervisor shall ensure that backups are performed at least three times per day and accomplished during periods of system inactivity. The cartridge shall be labeled with the day of the week the backup is performed. Daily backup cartridges shall be maintained in a fire-resistant cabinet or safe.

Quarterly/Annual Backups. The Trust Fund Supervisor shall ensure that quarterly/annual backups are performed on schedule, in duplicate, and labeled as follows:

FY 19XX 1st Quarter/Annual Backup #1
FY 19XX 1st Quarter/Annual Backup #2

* The FPPOS quarterly/annual backup tapes shall be stored in two separate buildings (i.e., Commissary, Business Office, Tower, or Camp Commissary) in a fire-resistant cabinet or safe. *

Quarterly backup cartridges may be reused each year. However, annual backup cartridges **must not** be reused. Therefore, two new cartridges must be procured for each fiscal year's annual backups.

7. INMATE ACCESS. Inmates are prohibited from operating or learning to operate any FPPOS System equipment for any reason, excluding an Automated Inquiry Machine (AIM), where applicable.

8. AUTOMATED INQUIRY MACHINE. Institutions operating an AIM shall include in an Institution Supplement such local procedures as hours for inmate access and sanctions to be imposed in accordance with the Program Statement on Discipline and Special Housing Units for damaging the AIM.

9. END-OF-YEAR FPPOS CLOSEOUT PROCEDURES. To facilitate annual FPPOS computer closeout procedures, the Trust Fund Supervisor shall perform the procedures identified in the annual memorandum regarding closeout issued by the Chief, Trust Fund Branch.

Chapter 4522 - Items to be Sold in the Commissary

1. PURPOSE AND SCOPE. This Chapter describes the items that may be sold in the Commissary and provides information on items specifically prohibited for sale in the Commissary.

2. ITEM DETERMINATION. Within the following guidelines, the Warden and designated staff shall decide, based upon the composition and character of the institution population, what items to sell in the Commissary. Items for sale shall complement, not supplement, diet and medical care provided to inmates.

* Institutions are encouraged to offer Commissary goods that are acceptable for inmates with religious dietary restrictions. To expand the availability of foods for Islamic and Jewish adherents, when costs are comparable and products meet the needs of the institution, these products should be selected from a variety of name brand foods that have a reliable kosher certification or are free of pork and pork by-products. In addition, during the week of Passover each year (early spring), inmate requests for the provision of certified kosher-for-Passover snacks should be accommodated using normal Trust Fund procedures. Information about both the products and the certifications is available from the institution or Central Office Chaplain. *

3. APPROVED ITEMS. Each institution shall include in an Institution Supplement the categories of items approved for sale through the Commissary. This list of categories shall be revised as a part of the annual Institution Supplement update. In accordance with the Program Statement on Inmate Personal Property, a list of any items identified "for local use only" shall be posted in the immediate Commissary area and these items identified on the shopping list.

4. WARNING OR CAUTION LABELS ON PRODUCTS. Any product that displays a caution or warning label (flammable or toxic) must be reviewed by the Controller and the institution Central Safety Committee prior to stocking in the Commissary. Results of this review must be maintained on file in the Trust Fund area. Institution staff are to determine whether the product meets appropriate security and life safety standards. The review of flammable and toxic substances shall be conducted by the Controller, Safety Manager, and Captain as required by the Program Statement on Occupational Safety and Environmental Health.

5. REQUESTS FOR REVIEW OF QUESTIONABLE SALES PRODUCTS. The Warden shall refer any questionable or controversial item under consideration for sale to the Regional Comptroller. If the Regional Comptroller concurs, the request shall be forwarded to the Chief, Trust Fund Branch for final determination.

6. QUANTITY OF ITEMS. The selection of Trust Fund items to be stocked and sold should not be so great as to place undue burden upon the Trust Fund storage facilities, sales space, and civilian personnel. The number of total items sold in the Commissary shall not exceed 600, excluding over-the-counter medications.

Note: Cigarettes are considered one item regardless of the number of brands; coins are considered one item; cookies are one item; sodas are one item; candy bars are one item; etc. Efforts shall be made to stock items that have a Universal Product Code (UPC) whenever possible.

7. CATEGORIES AND EXAMPLES OF PRODUCTS APPROVED FOR SALE IN THE COMMISSARY. Following are categories of items and specific examples within the categories that are approved for sale.

a. Tobacco Products and Smoking Accessories. Various brands of cigarettes, cigars, chewing tobacco, snuff, pipe tobacco, pipes, and other smoking accessories such as tobacco pouches, pipe filters, pipe cleaners, cigarette rollers, and matches.

b. Edible Items

- ◆ Cookies, crackers, potato and corn chips, doughnuts, candy bars, bagged candy, peanuts, mixed nuts, fresh fruit, dry cereal.
- ◆ Individually packaged, single-serving items not requiring refrigeration prior to opening, such as tuna fish, sardines, salmon, potted meats, Vienna sausage, sandwich meats (Spam, Treet, etc.), dried beef sticks, chip dips, and processed fruit.
- ◆ Single-serving containers of ice cream, yogurt, sherbet, and ice cream novelties, provided that adequate freezer storage is maintained prior to sale.
- ◆ Peanut butter, honey, dry soup mix, bouillon cubes, etc.
- ◆ Nutrition bars such as Balance that are **not** marketed as body building or weight enhancing and do **not** contain unauthorized supplements.

*

*

Items such as chips, cookies, peanut butter, honey, coffee, etc. which do not require refrigeration after opening and are not considered perishable may be sold in larger than single serving units. **Note:** Institutions must ensure that healthier snacks represent approximately 25 percent of snacks available for sale. Healthier snacks may include: fresh fruit, fruit juices, dried fruit, applesauce, fruit snack packs, cup-a-soup, tuna (in water), graham crackers, cheese crackers (low salt), peanut butter crackers (low salt), fig newtons, cracker snacks (low salt, low saturated fat), pretzels (no visible salt), instant oatmeal, rice cakes, bagels, dry roasted nuts (unsalted), granola bars (no coconut), low-fat or fat free frozen yogurt (plain, lemon, coffee, and vanilla), pudding cups (low-fat or fat free), and other low-calorie, reduced-calorie or fat free, low-cholesterol or cholesterol-free, and low-saturated-fat or fat free snacks.

c. Kosher/Halal Shelf-stable Entrees. The Commissary **must** stock in the Commissary or sell through the SPO Program, a minimum of four Kosher/Halal certified entrees. These individual entrees shall be in sealed plastic bowls suitable for microwaving and shall contain the Kosher and Halal certification on the label. Questions concerning proper certification should be directed to the Central Office Chaplaincy Administrator.

Note: Inmates are limited to purchasing 14 shelf-stable entrees per Commissary visit. Inmates shall not have more than 21 shelf-stable entrees in their possession. However, Wardens may limit the number of entrees stored in inmates' cells to less than 21 for inmates at the ADX Florence, Colorado, USP Marion, Illinois, or in any special housing unit, or in any hospital, if such limitation is necessary to promote institution security and sanitation.

d. Beverages and Related Items. Instant drinks such as coffee, tea, Tang, Kool-Aid, hot chocolate, powdered milk; condiments such as non-dairy creamer and sugar; carbonated drinks such as Coca-Cola, Pepsi-Cola, Royal Crown Cola, and Seven-Up; juices such as apple, orange, grape, pineapple, and grapefruit.

e. Postage Stamps. The Commissary shall sell a maximum of five different denominations of stamps. Two of the five denominations must allow inmates to mail first-class letters and certified letters. If needed, denominations in excess of these two shall be determined by local needs and approved by the Warden (not to exceed the five maximum). In addition to the five denominations of stamps, the Commissary may stock pre-stamped international postage envelopes (i.e., Air-O-Grams). All inmate letters, including certified letters, shall be mailed using

postage stamps. The Commissary must have available sufficient stamp denominations to allow mailing of domestic letters, letters in excess of 1 ounce but not requiring an additional first-class stamp, foreign mail, packages, registered or certified letters or packages, and any other charges attributable to mail privileges.

The Commissary shall ordinarily sell no more than 60 postage stamps (for first-class, domestic, one-ounce mailing), or the equivalent per Commissary visit. An exception may be made where visits are limited to one per week or less, in which case, additional purchases of stamps may be authorized by the Associate Warden or person of equivalent rank. This authority may not be delegated below the Unit Manager level.

f. Coins. At the option of each institution, the Commissary may sell coins to allow inmates to use coin-operated vending machines. If coins are sold, stringent internal control procedures as outlined in Chapter 4520 of this Manual shall be established and followed. Only nickels (\$2.00 rolls), dimes (\$5.00 rolls), and quarters (\$10.00 rolls) shall be sold; these denominations shall only be sold in these size rolls. Coins received through institution vending collections shall not be recycled and sold through the Commissary. The Commissary shall sell no more than \$15.00 in coins to any inmate at one time. Inmates are subject to disciplinary action if they have more than \$20.00 in coins in their possession.

g. Vending Debits. The Commissary shall sell no more than \$30.00 in vending debits to any inmate at one time. Inmates are subject to disciplinary action if they have more than \$40.00 in vending debits in their possession.

h. Inmate Telephone System (ITS) Credits. The Commissary shall sell ITS credits in whole-dollar amounts only. Once ITS credits are purchased and the inmate has signed the Commissary receipt, the ITS credits shall not be credited back to the inmate's Commissary account except as described in Chapter 4555.

i. Radios. Only digital radios (AM/FM) shall be permitted for sale through the Commissary, subject to the following:

- ◆ Current stocks of analog radios may be sold; thereafter, only digital radios shall be ordered for sale.

- ◆ Radios shall be a Sony Walkman AM/FM Model SRF-M32 (Digital) or equal. Equal means a "walkman"-type radio/receiver (one that can only be listened to using earphones) that has been approved by the Warden, and has similar performance and

functional characteristics complying with Federal Communication Commission (FCC) requirements in 47 CFR, part 15, subpart C.

◆ Radios shall be battery-operated and receive only AM/FM frequencies. Battery-operated radios with power cords may continue to be used where adequate electrical service is available and local policy permits, but no additional stocks of radios with power cords may be ordered for resale.

◆ AC power adapters for use with Walkman-type radios may be sold where electrical service and local policy allow their use. Commissary price lists that list AC power adapters must contain the following parenthetical notation adjacent to the power adapter: **Note:** "AC power adapters may not be allowed in all Bureau facilities. In case of transfer to an institution where AC power adapters are not permitted, the adapter must be disposed of in accordance with the receiving institution's requirements."

j. Watches. Watches and batteries for watches.

k. Electrical Appliances. Fans may be sold on a local-option basis where weather conditions dictate and the electrical system will tolerate them.

l. Miscellaneous

* ◆ Writing supplies (pens, pencils, paper, envelopes, paper, greeting cards, and address books); alarm clocks; word spellers; plastic bowls; cups and hangers; wallets; small purses; athletic and cosmetic bags; tokens for laundry or copy services; and photo tickets. *

◆ Playing cards, fingerless athletic gloves, handball gloves, harmonicas, racquet and tennis balls, weight lifting belts/gloves/wraps, and softball gloves may be stocked.

◆ Master Lock Padlock #1525 which is keyed V-85 is the **only** combination padlock permitted for sale.

m. Clothing. After depletion of existing stock, the following clothing items may be stocked in white or grey for males, pastel green or white for females:

- ◆ bathrobes (no hoods);
- ◆ baseball caps (no logos); and
- ◆ gym shorts.

The following clothing items may be stocked in grey for males and pastel green or grey for females:

- ◆ sweatpants (cotton) and
- ◆ sweatshirts (cotton pullover, no hoods).

The following clothing items may be stocked in white or grey for males and females:

- ◆ T-shirts/sleeveless undershirts (no pockets or logos).

The following items may be stocked:

- ◆ underwear (boxers or briefs) (white);
- ◆ underwear (bras/panties);
- ◆ tube socks (white);
- ◆ stockings/pantyhose (skin tone);
- ◆ headbands/sweatbands (white);
- ◆ athletic supporters; and
- ◆ knee wraps.

n. Shoes. One style of each of the following shoes may be stocked:

- ◆ white athletic shoes (less than \$100 selling price; no "Pump" or "Air" type shoes with air cavities) (i.e., all white; no logos, stripes or inserts of any color such as red, blue, green, pink, purple, etc.) cross trainer type shoe;
- ◆ casual shoes (such as hushpuppies);
- ◆ shower shoes (white (clear) or grey for males; white (clear) or pastel green for females);
- ◆ work shoes (soft leather steel toe); and
- ◆ slippers (colorless; i.e., white or clear).

Inmates may also purchase through the Commissary (direct sale or SPO) one pair of specialty shoes (i.e., a court, a turf, or a running shoe) which sell for less than \$100 selling price without air pockets or cavities in black, white, or a combination of black or white (no logos, stripes, or inserts of any color such as red, blue, green, pink, purple, etc.). See the Program Statement on Inmate Personal Property. Commissaries may stock the specialty shoes or order them through the SPO process.

o. Toiletries. Common items such as soaps, deodorants, hair grooming supplies, shaving supplies, general cosmetics, and other grooming aids.

- * p. Hygiene Items. Non-prescription drugs, home remedies, patent medicines, and personal hygiene items that are sold over-the-counter in drug and grocery stores may be considered for sale using the following examples as guidelines.

DENTAL PRODUCTS

Toothbrushes
Denture brushes
Dental bridge cleaners such as Dentu-Creme
Toothpaste
Unwaxed dental floss
Floss threaders
Denture adhesive (powder or paste)
(See Paragraph 8 on the prohibition on denture cleaning tablets)

MISCELLANEOUS PRODUCTS

Cough drops
Mouthwash (non-alcoholic)
Contact lens solutions
Disposable douche
Suntan lotion
Magic Shave
Wheat germ
Garlic tablets
Artificial sweeteners such as Saccharin and Nutra-sweet
Band-Aids
Earplugs
Analgesic balm (such as Ben Gay, A-Balm, generic)
Arch Supports (Dr. Scholls)
Corn pads (Dr. Scholls)
Insoles (Dr. Scholls)
Lip ointments (such as Chapstick)
Moisture lotion (such as Keri, Intensive Care, generic)
Medicated rubs (such as Mentholatum, Vicks VapoRub)

PERSONAL HYGIENE PRODUCTS

Deodorants (such as Right Guard)
Bar soaps (such as Zest, Ivory, Neutrogena, generic)
Disposable plastic razors (such as Bic)
Shaving cream
Shaving brushes
Combs and brushes
Feminine hygiene products (such as Tampax)
Hair shampoos and hair conditioners
Laundry soaps/detergents

q. Over-the-Counter Medications/Medical Products. At least 25 of the following over-the-counter medications or medical products shall be stocked in the Commissary. Selection of specific items to be stocked shall be made after consultation with the institution Clinical Director.

OVER-THE-COUNTER MEDICATIONS/MEDICAL PRODUCTS

Acetaminophen, 325 mg tablets, (5 grains), (Tylenol, Temptra, generic)
Aluminum hydroxide/Magnesium hydroxide/Simethicone liquid (antacid, such as Maalox, Mylanta)
Aluminum Hydroxide and Magnesium Trisilicate tablets, 100 tablets, (such as Gaviscon tablets)
Anesthetic Gel, dental, (such as Benzodent, Orajel, generic)
Antacid tablets (such as Roloids, Tums, generic)
Artificial Tears, eye drops, 15 cc plastic bottle, (such as Tears Natural, generic)
Aspirin, 325 mg tablets, (5 grains), (such as Bayer, generic)
Benzoyl Peroxide Cream; (see section below on acne products)
Benzoyl Peroxide Soap (see section below on acne products)
Carbamide Peroxide Ear Drops, 15 cc plastic bottle, (such as Debrox)
Chlorpheniramine Maleate, 4 mg tablets (antihistamine, such as Chlor-Trimeton, generic)
Guaifenesin syrup, 100 percent alcohol-free (expectorant cough syrup, (generic)
Hemorrhoidal cream (such as Preparation H, Anusol, generic)
Hydrocortisone cream, 0.5 percent (such as Hytone, DermaCort, Cortifair, generic)
Ibuprofen, 200 mg tablets (such as Advil, Nuprin, generic)
Kaolin/Pectin Liquid (such as Kaopectate, generic)
Lactase Enzyme Tablets, 25 caplets (such as Lactaid or Latrace)
Milk of Magnesia (antacid/laxative, such as Phillip's, MOM)
Medicated soaps (such as Fostex, Panoxyl Bar soap with benzoyl peroxide)
Psyllium Hydrophilic Mucilloid powder (bulk laxative, such as Metamucil, generic)
Saline nasal spray (such as Ocean, Salinex, generic)
Selenium Sulfide 1% shampoo (such as Selsun Blue, generic)
Simethicone, 40 mg tablets (such as Mylicon, generic)
Throat lozenges (such as Sucrets, Choraseptic, generic)
Tolnaftate Athletic Foot Cream, 1% cream, 15 gram tube, (such as Tinactin, generic)
Tolnaftate Antifungal 1% powder (such as Tinactin, generic)*

Medications for Acne Skin Conditions. The Commissary **shall not stock or sell** any products containing benzoyl peroxide except for those identified below:

Clearasil Maximum Strength Acne Cream
Neutrogena Acne Mask
Bar soaps such as Panoxyl Bar soap, Fostex Soap or generic brands of soap containing benzoyl peroxide

The Commissary **may stock** other acne treatment products which do not contain benzoyl peroxide such as the following:

Stri-Dex
Therac Lotion
Pernox Regular Medicated Scrub Cleanser
Fostex Regular Strength Medicated Cleansing Cream
Fostex Soap

* Medications for Smoking Cessation Programs. Nicotine Replacement Therapy (NRT) patches may be sold in the Commissary to inmates who present, at the time of purchase, a Health Services or Psychology signed authorization which includes:

- ! the date,
- ! inmate's name,
- ! register number, and
- ! the specific dosage of NRT patches authorized for purchase.

This authorization is to allow the inmate to purchase one two-week supply of NRT patches; a new signed authorization is required for each purchase. The Commissary, as recommended by the Health Services Division, is to stock NRT patches (i.e., Nicoderm brand) in several dosages (7 mg, 14 mg, and 21 mg), each sufficient for a two-week's supply of NRT. Trust Fund staff must attach the signed authorization form to the inmate's sales receipt.

r. Vitamin/Mineral Supplements. Only the following vitamins/mineral supplements are authorized for sale.

Calcium tablets, 250 mg tablets as calcium carbonate (such as OsCal, generic)
Vitamin tablets, multiple, one-a-day type, containing no more than 150% of the Recommended Daily Allowance (RDA) of each vitamin but may also contain the following minerals at no more than 150% RDA: calcium, phosphorus, iodine, magnesium, copper, zinc and manganese.

Vitamin E, capsule (gelcap), must not exceed 400 I.U. per capsule

Vitamin C, tablets, must not exceed 500 mg per tablet *

8. ITEMS PROHIBITED FROM SALE IN THE COMMISSARY. Certain items are prohibited from sale. Listed below are examples.

* ♦ Protein/carbohydrate products, any product formulated as a tablet, capsule, liquid or powder that is described as "high protein," "amino acid," "high calorie," or "high carbohydrate," that is associated with body building, muscle enhancing, or weight lifting. Examples are Muscle Charger, 90% Protein Powder, Protein Plus, Muscle Majic, Sports Factor, Egg Protein, Hot Stuff, MET-RX, Muscle Stuff, Creatine, Carbo Plus, etc). *

♦ Liquid dietary drinks/powders (Metrecal, Sego, Slender, Ensure, Boost, Slimfast etc.).

* ♦ Prepared meals from outside sources such as Dominos Pizza, Kentucky Fried Chicken and Burger King Burgers/Fries etc. *

♦ Any item containing poppy seeds.

♦ Canned soups and vegetables.

♦ Non-single serving food items that cannot be maintained at safe temperatures (41 degrees F or below or 140 degrees F or above) to prevent the growth of dangerous microorganisms prior to or after sale. **Potentially hazardous** food is defined to mean any perishable food that consists in whole or in part of milk or milk products, eggs, meat, poultry, fish, shellfish, or other ingredients capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms. **Perishable** food means any food that may spoil. Canned or hermetically sealed foods packaged in a manner that allows storage at room temperature become potentially hazardous once the package is opened.

♦ Medications, other than those listed in Paragraph 7.q. above, not specifically approved by the Chief, Trust Fund Branch in conjunction with the Health Services Division.

♦ Medications, other than those listed in Paragraph 7.q. for treatment of acne skin conditions, which contain benzoyl peroxide (such as Oxy 10 Lotion, Benoxyl 10 Lotion, Acne 10, and generic benzoyl peroxide lotions and washes).

* ♦ Vitamins other than those listed in Paragraph 7.r. *

♦ Bromo-seltzer.

- * ◆ Products for denture cleaning which are effervescent tablets/powders such as Efferdent and Polident.
- ◆ Medications for the treatment of colds which contain pseudoephedrine such as Sudafed. *
- ◆ Dietary supplements such as: amino acids in the form of tablets, capsules, liquids, or powders; desiccated liver tablets; ginseng; C.O.Q.10; or gamma oryzanol, etc.
- ◆ Products that contain manufactured L-Tryptophan pursuant to Food and Drug Administration (FDA) direction.
- ◆ Electrical appliances, except fans.
- * ◆ Musical instruments except the harmonica. *
- ◆ Lighters or lighting paraphernalia, gas- or liquid-fueled or fueled by flammable material.
- ◆ Products in aerosol containers.
- ◆ Products containing chlorine as an active ingredient.
- ◆ Computer/calculator devices that allow programming or password protection of information.
- ◆ Magazines.
- ◆ All items with a unit cost of \$100 or more unless approved, in writing, by the Warden. This authority may not be redelegated below the level of Acting Warden.
- ◆ Radios capable of picking up shortwave, UHF, VHF, and television bands.
- * ◆ Combination radio/tape players, recorder/tape players, recorders, compact disc players, video games, or portable televisions. *

Chapter 4523 - Pricing

1. PURPOSE AND SCOPE. This Chapter outlines procedures for determining the selling price of articles in the Commissary.

2. COST PRICE COMPUTATION. The cost price is determined by completing the following steps:

- ◆ Divide the cost per case (box, package, etc.) by the number of sellable units in the case, extended to two decimal places. Sellable unit is defined as the smallest individual unit sold in the Commissary.

- ◆ The cost price shall include transportation charges, except for Special Purpose Order items.

- ◆ The cost price does not ordinarily include taxes (State, local, or Federal).

3. SELLING PRICE COMPUTATION, COMMISSARY ITEMS. The selling price is determined by completing the steps below:

- ◆ With the calculator set to two decimal places, divide the cost price for each sellable unit by 0.8.

- ◆ Round the result to the next highest nickel.

Example:

<u>Unit Cost Price (Extended 2 decimals)</u>	<u>Computed Selling Price (Cost Divided By 0.8)</u>	<u>Rounded To Next Nickel</u>	<u>Mfr's Printed Price</u>	<u>Established Unit Selling Price</u>
\$.98	\$ 1.23	\$ 1.25	None	\$ 1.25
1.16	1.45	1.45	None	1.45
.29	.36	.40	None	.40

Generally, the Federal Government does not pay taxes (State, local, or Federal) on purchases. However, in instances where payment of taxes is required, these steps shall be followed:

- ◆ Complete the first step above.

- ◆ Divide the total tax charge(s) by the number of sellable units taxed.

- ◆ Add the tax per sellable unit to the selling price computed above.

- ◆ Round the result to the next highest nickel, if necessary.

Example:

Unit Cost Price (Extended <u>2 Decimals</u>)	Computed Selling Price (Cost Divided <u>By 0.8</u>)	Tax	Rounded To Next <u>Nickel</u>	Established Unit Selling <u>Price</u>
\$ 5.23	\$ 6.54	\$.65	\$ 7.20	\$ 7.20

Occasionally, the selling price, rounded to the next highest nickel, may exceed the manufacturer's printed selling price. In such instances, the selling price shall be set at the manufacturer's price, even though it may be in odd cents. Printed selling price applies only to preprinted, packaged, "across the counter" sales items (potato chips, pretzels, etc.). It does not apply to catalog prices such as those used for Special Purpose Order items (e.g., leather companies' catalogs).

Example:

Unit Cost Price (Extended <u>2 Decimals</u>)	Computed Selling Price (Cost Divided <u>By 0.8</u>)	Rounded To Next <u>Nickel</u>	Mfr's Printed <u>Price</u>	Established Unit Selling <u>Price</u>
\$.60	\$.75	\$.75	\$.75	\$.75
.54	.68	.70	.69	.69

Care must be exercised in pricing items that are sold individually and by the box or carton, such as cigarettes, cigars, snack crackers, candy bars, etc. The cost and selling price shall be computed on the smallest individual unit (sellable unit) sold by the institution. For example, if cigarettes are sold by the carton and the pack, the cost and selling prices shall be computed on the pack. The computed selling price, rounded to the next highest nickel, is then multiplied by 10 (the number of sellable units in the carton) to determine the selling price of the carton.

4. SELLING PRICE COMPUTATION, SPECIAL PURPOSE ORDERS. When establishing a selling price for Special Purpose Orders, these steps shall be followed:

- ◆ With the calculator set to two decimal places, divide the total cost price for the Special Purpose Order by 0.8.
- ◆ Add transportation charges.
- ◆ Round the results to the next highest nickel.

Example

SPO Total Price	Computed Selling Price (Cost Divided By 0.8)	Trans- portation Charge	Rounded To Next Nickel	Established Unit Selling Price
\$ 5.98	\$ 7.48	\$ 1.23	\$ 8.75	\$ 8.75

When it is necessary to purchase special purpose items at retail cost, normal pricing procedures shall not be used. Retail cost is defined as the cost at which an item can be purchased by the general public. The selling price shall be computed by adding a five percent "handling charge" to the cost price, adding any shipping charges, and rounding the resulting figure to the next highest nickel.

Example

Retail Cost Price	5 percent Handling Charge	Computed Selling Price Retail Cost Plus 5 percent	Trans- portation Charge	Rounded Next Nickel	Established Unit Selling Price
\$ 5.98	\$.30	\$ 6.28	\$ 1.23	\$ 7.55	\$ 7.55

5. TICKETS/TOKENS. Tickets or tokens sold through the Commissary and used to purchase items or services shall, without exception, be marked-up in the same manner as ordinarily stocked items (see Paragraph 3).

6. SELLING PRICE WITH NO MARK-UP. There shall be no mark-up added to the cost and no rounding to the next 0.05 of the following items:

- # Coins.
- # Postage, except where coin-operated vending machines are installed and the denominations sold preclude change return.
- # Discharge clothing (special-purpose clothing).
- # Self-improvement textbooks.
- # Correspondence courses.
- # Tools and materials for educational/vocational training.
- # Law books or other legal materials.
- # Eyeglasses.
- # Religious articles.

7. SELLING PRICE ADJUSTMENT, TRUST FUND MERCHANDISE. When the selling price of a new shipment, established per Paragraph 3, results in a different price from the existing unsold stock (either increase or decrease), a price adjustment shall automatically be computed on the FPPOS System during the receiving function. Old and new stock shall not be maintained at different selling prices.

The technician reporting directly to the Trust Fund Supervisor shall maintain the current prices of inventory items in the FPPOS System. This includes the comparison of item costs and selling prices entered into the FPPOS System from the Receiving Report, and an occasional review of the "Daily Sales By Item" Report to ensure that proper markups are being computed.

Example: 17 units selling for \$.35 each are in the Commissary; 120 units of like items are received. The new shipment of 120 units cost .32 each. The computed selling price is .40 each and thus would require no rounding (see Attachment A).

Adjustments for the selling price of the Commissary inventory are determined as follows:

Commissary inventory at New Selling Price	\$6.80
(17 @ .40)	
Commissary inventory at Old Selling Price	\$5.95
(17 @ .35)	

Commissary inventory selling price adjustment	\$.85 Increase

* Selling price changes must be recorded, as they occur, into the FPPOS Inventory Control Account - Price Adjustments (Maj. 650 - Min. 220 and Maj. 750 - Min. 000). The total for this entry may be obtained from the FPPOS Receiving Report.

Selling price changes must also be recorded into FMS. However, this transaction must only be entered monthly. The total for this entry (increases and decreases in prices for the month) may be obtained by printing an FPPOS month-to-date General Ledger. The ledger report with this total (FPPOS 650-220 Account) shall be reviewed, signed by the Trust Fund Supervisor, and forwarded to Accounting. The total of the 650-220 account for the month shall be recorded into FMS on a 40 transaction using sub-object 2676. The record of this transaction shall include the Journal Voucher Number and Batch Number. *

8. TRUST FUND PRICE LISTS. Institutions shall prepare, distribute, and post lists of items and the selling prices of the merchandise sold in the Commissary to assist inmates in preparing shopping lists in advance.

9. REFUNDS/EXCHANGES. Sales are considered final after the inmate accepts the item(s), signs the sales receipt, and leaves the sales counter/window.

10. COUPONS. Coupons shall not be honored at the Commissary.

11. REBATES. Institutions are not encouraged to solicit cash rebates for merchandise purchases but shall seek the best price available at the time of purchase. If a cash rebate is received at the institution, the funds shall be deposited in the Trust Fund appropriation (15X8408) using a negative 02 transaction and sub-object 2670.

12. SAMPLES. All samples of products received from a vendor shall be returned to the vendor or destroyed as deemed appropriate. A sample is defined as an item not currently sold in the Commissary.

13. PROMOTION/QUANTITY DISCOUNTS. If additional items identical to those ordered are received with the order as part of a promotion or quantity discount, these items shall be received via a Receiving Report (BP-104) and the cost per item shall be computed using the total quantity received. The selling price shall be computed on the resulting cost price and any price adjustments processed as described in Paragraph 7.

If promotion or discounted items are received after the original order receiving report has been processed, a donated receiving report shall be prepared using the latest cost price and selling price for that item. The donated receiver shall be entered into FPPOS and FMS in the same manner as other Commissary Receiving Reports.

Example:

J.V. Number _____

Date _____

SELLING PRICE ADJUSTMENTS

1	2	3	4	5	6	7	8	9
R/R No. (New Shipment)	Item Number	Amount On Hand	Old Cost Price	New Cost Price	Old Sales Price	New Sales Price	Adjust (Col. 7 Minus Col. 6)	Adjust (Col. 8 Mult. By Col. 3)
0497-CMS	Track II 5 Pack Blades	8	1.72	1.76	2.15	2.20	.05	.40
0591-CMS	Downey	15	1.16	1.24	1.45	1.55	.10	1.50
0600-CMS	D Batteries	39	1.80	1.72	2.25	2.15	(.10)	(3.90)
0601-CMS	Snickers	17	.28	.32	.35	.40	.05	<u>.85</u>
							Total <1.15>	

40 transaction to change (increase/<decrease>) inventory at selling price entered on
Batch # _____.

Prepared by _____
(Title)

Approved by _____
(Controller)

J.V. Number _____

Date _____

SELLING PRICE ADJUSTMENTS

1	2	3	4	5	6	7	8	9
R/R No. (New Shipment)	Item Number	Amount On Hand	Old Cost Price	New Cost Price	Old Sales Price	New Sales Price	Adjust (Col. 7 Minus Col. 6)	Adjust (Col. 8 Mult. By Col. 3)

40 transaction to change (increase/<decrease>) inventory at selling price entered on
Batch # _____.

Prepared by _____
(Title)

Approved by _____
(Controller)

Chapter 4524 - Special Purpose Orders

1. PURPOSE. This Chapter describes procedures for handling Special Purpose Orders (SPO).

2. GENERAL. It is not always practical to stock all approved items of a special nature, such as books, hobby crafts, etc. An SPO is an inmate request for purchase of an approved item or items not routinely sold in the Commissary. Periodic reviews shall be made to determine whether any SPO item should be included as a routine stock item. SPOs shall not be approved for the sole purpose of ordering a different color, brand, or quality of an item that is currently sold. Requests to purchase these items shall be approved on an individual basis.

3. INSTITUTION SUPPLEMENT. An Institution Supplement shall be issued to establish the SPO program and shall include, at a minimum:

a. List of Approved Items. The items may be listed specifically, such as Religious Medallion, or by general categories, such as vocational/educational books, leather craft, etc. The SPO process shall not be used by inmates to purchase personal use musical instruments, athletic items such as racquets, or any other item not authorized for inmate possession according to the Program Statement on Inmate Personal Property.

b. Approving Official(s). A position may be designated to approve all SPOs, or approving authority may be delegated to the position responsible for the activity involved, such as the Unit Manager for items of high dollar value and items which may cause storage problems due to limited inmate space; the Supervisor of Education for correspondence courses, materials for vocational training, law books, etc.; the Supervisor of Recreation for hobby craft and athletic articles; and the Chaplain for religious articles. Trust Fund staff shall coordinate with the Chaplain to identify religious articles that may be purchased through the SPO program. Information on the approved items can be found in the Program Statement on Religious Beliefs and Practices.

c. Monetary Guidelines. Monetary limits for approving authority shall be established. Limits on the value of individual items, the value of an entire order, the quantity of items on an individual order, and the frequency of orders that may be submitted each month or quarter shall be established.

◆ No more than three orders shall be processed per month for any inmate. The maximum dollar amount allowed for hobby craft items is \$300 (cost price) per quarter.

Note: The Warden shall approve, in writing, all individual line items with a unit cost of \$100 or more for sale to inmates. This authority shall not be redelegated.

- * 4. PROCEDURES. Inmates desiring special purpose items shall submit a signed SPO Request form (BP-S200.045; available on BOPDOCS) to the designated staff for approval. *

Note: The new SPO Request form may be used in place of the Request for Purchase (BP-101), Government Credit Card Purchase Request (CPR), the Receiving Report (BP-104), and the documentation for inmate personal property (BP-383).

a. Approval Process. The approving official shall verify that the SPO Request form is complete, includes current prices and catalog numbers, and, if the inmate is on FRP Refuse status, that the purchase limitations outlined in the Program Statement on the Inmate Financial Responsibility Program are not exceeded.

Note: Inmates in FRP Refuse status may not be denied the ability to purchase Kosher/Halal shelf-stable entrees through the SPO Program.

- ◆ The approving official shall also ensure that the other limitations outlined in the Institution Supplement such as frequency of orders or maximum dollar limitations are not exceeded.
- ◆ Approval shall be indicated on all copies of the SPO Request. After the approving official signs the request, the form shall be delivered to the Trust Fund Supervisor.

b. Numbering. A numerical log shall be maintained for SPO Request Numbers. SPO Request forms shall be numbered consecutively each fiscal year with a six-digit SPO Request Number. The first two digits will represent the fiscal year. The last four digits will be sequential starting with 0001 at the beginning of each fiscal year; (980001, 980002, etc.) Trust Fund staff are responsible for assigning SPO Numbers.

c. Markups. Based on the indicated cost price(s) on the SPO Request form, Trust Fund staff shall calculate, using the appropriate markup procedures plus transportation charges, an estimated selling price. The sales price shall be computed in accordance with procedures outlined in Chapter 4523.

d. Encumbrances/Fund Control. Individual inmate Deposit Fund accounts shall be encumbered for each SPO ordered. After the total selling price is determined, Accounting or Trust Fund staff shall encumber the necessary funds from the respective inmate's account referencing the six-digit SPO Number. Inmates with insufficient funds will have their SPO request returned to the

Trust Fund Supervisor. The Trust Fund Supervisor shall ensure the numerical SPO log is notated for insufficient funds, and send back the SPO Request form to the Approving Official.

If required by the institution Controller, the Fund Control system may be used for SPOs.

Note: It is optional to Fund Control Commissary Resale merchandise (Chapter 4504).

e. Procurement Procedures. Once the funds are encumbered, the price(s) of the item(s) on the SPO Request form is verified and ordered by procurement staff using a Purchase Order, charge account, or a cash purchase process. At the election of the institution Controller, SPOs may be purchased through the Government Credit Card process by Trust Fund staff as outlined in Chapter 4527.

Note: If the (total) cost price increases or transportation charges exceeds the estimated amount, additional funds may need to be encumbered prior to placing the order.

A copy of the SPO Request form, and any other ordering documents used, is sent to the warehouse, and one copy is provided to the Trust Fund Technician to establish the FPPOS System Request for Purchase in the inventory control system.

f. Receiving. Upon receipt of the SPO at the institution, a Receiving Report (BP-104) shall be prepared in accordance with normal receiving procedures for Trust Fund sale merchandise as outlined in Chapters 4527 and 4571 or the SPO form completed as the receiving document.

A copy of the receiving document shall be sent to the Trust Fund Technician to receive the SPO into the FPPOS System; two copies of the SPO Request form shall be sent to the sales unit unless the SPO involves personal property in which case three copies shall be sent to the sales unit; and one copy of the SPO Request form shall be sent to Accounting or to Trust Fund staff as the Receiving Report for the SPO, allowing payment of the invoice or credit card bill.

g. Selling. The particular SPO encumbrance shall be released and funds shall be deducted from the inmate's account when the merchandise is sold to the inmate over the sales counter through regular sales procedures as outlined in Chapter 4525. At that time, the inmate shall sign both a sales ticket and the appropriate number of copies of the SPO Request form verifying that the article(s) has been received.

h. Filing Instructions. A copy of the SPO Request form shall be given to the inmate upon completion of the sale; a signed copy shall be retained in the Commissary, filed numerically by inmate register number; and a signed copy of the SPO Request form may be forwarded to Inmate Systems Management (ISM) for filing in the inmate's record in lieu of completing a separate Inmate Personal Property Record (BP-383).

5. TRANSFERRED INMATES. SPOs received for inmates who have been released or transferred may be disposed of locally. Examples of procedures for disposition include: return to the vendor, sale to another inmate at full markup price, or sale to another inmate at a reduced price. *

Price	*	Amount
\$))	0)
))	3)
))	9

[illegible]

Chapter 4525 - Commissary Sales Procedures

1. PURPOSE AND SCOPE. This Chapter outlines the procedures for conducting Commissary sales.

2. IDENTIFICATION. The Inmate Account Card provides the means to identify inmates in the Commissary. The sales person shall obtain the account card of the inmate and make a positive visual identification by comparison with the photograph on the account card prior to the initiation of the sale. The sales person shall retain the card until completion of the sale. Facilities exempted from the Inmate Account Card Program must establish adequate local procedures for identifying inmate customers that include each inmate's photograph, full name, and register number.

3. SALES PROCEDURES. The following steps shall be carefully followed after positive identification of the inmate:

a. Sales shall be conducted using the FPPOS System. The FPPOS* System allows the option of selling coins, vending debits, ITS credits, stamps, and SPOs with all other regular stock items. If debit vending is used, Commissary staff shall verify the monetary value on the account card prior to and after a debit card vending transaction.

Debit card vending transactions are considered a final sale at the time of encoding on the Inmate Account Card. A liability will not be incurred for these transactions. The proper accounting for debit card vending transactions is found in the Program Statement on Accounting for Inmate Debit Card Vending Machine Program.

If the cash value on an Inmate Account Card is unreadable by the Debitek Super Reader due to a defect in the card, financial management staff shall direct the inmate to give the card to unit staff for processing.*

b. Sales to the inmate population shall be conducted in a secure manner. Inmates shall not have access to sales items until the items have been charged against the inmate's account and passed to the inmate by a Trust Fund sales person. Sales to inmate workers assigned to the Commissary shall be conducted in the same manner as with all other inmates (i.e., no sales shall be conducted inside the Commissary). Under no circumstances shall inmates be allowed to have previously purchased sales merchandise inside the Commissary.

c. No manually pre-bagged items shall be sold, with the exception of fruit, which may be sold only in clear plastic bags.

d. Two-ply, carbonless receipt tape shall be used as sales receipts.

e. When the sale is completed, the original sales receipt shall be delivered with the merchandise to the inmate for complete signature (not initials). The sales person shall retain the carbonless copy of the receipt and the Inmate Account Card until the inmate has signed the original receipt. The sales person shall then exchange the copy and account card for the signed original receipt. No receipt shall be changed or altered in any manner after removal from the printer. If a change is necessary, an additional sales transaction shall be conducted. Sales personnel are cautioned that in these cases the signed originals of both receipts must be retained. Once the inmate signs the receipt and leaves the sales counter/window, the sale is final.

* f. Staff shall advise that it is the inmate's responsibility to verify the monetary value on the Inmate Account Card for vending transactions prior to and after a debit card vending transaction by using the available card reader.

Note: Financial Management staff shall remove the vending debits from an inmate's account card and return the funds to the inmate's Commissary account prior to the inmate's transfer to another Bureau facility which does not have debit card vending programs. *

g. Staff shall require that inmates who shop at the Commissary shall use a nylon mesh bag to bag their Commissary merchandise. Paper or plastic bags shall only be provided by the Commissary for required direct delivery of merchandise to inmates (hospital, segregation, etc.) or in emergency circumstances.

h. Each sales person shall, following the completion of sales, place the receipts for his/her sales station in numerical order to ensure all receipts are accounted for. Any missing receipts shall be reported to the Trust Fund Supervisor by the close of business the day following the sale. The Trust Fund Supervisor is encouraged to periodically review the sales packets to ensure that all tickets are present and investigate any missing receipts.

i. After all sales are completed, the "Cash Drawer Summary" reports for each sales station shall be produced from the FPPOS System. The "Cash Drawer Summary" reports indicate the quantities of coins and stamps sold by denomination. The quantities of coins and stamps sold indicated on the "Cash Drawer Summary" shall be posted to the appropriate sales person's Stock Record Card (BP-109) and reconciled to the physical inventory of coins and stamps removed from the safe prior to the sale. This reconciliation process shall be conducted immediately following

the day's sales. Discrepancies shall be investigated and reconciled immediately. Any unresolved differences shall be reported immediately in writing to the Trust Fund Supervisor.

j. Sales persons are responsible for ensuring that their individual sales station's "Cash Drawer Summary" reports are attached to all appropriate sales receipts, and placed in a single expandable envelope each sales day. The following information, extracted from the "Cash Drawer Summary" report, shall be reflected on the front of the envelope (a stamp or printed label may be used):

- (1) Date of sales.
- (2) Total coin sales (all stations).
- (3) Total stamp sales (all stations).
- * (4) Total debit card vending sales (all stations).
- (5) Total ITS credits (all stations).
- (6) Total Photo Ticket Sales if applicable (all stations).
- (7) Total regular sales including SPO sales (all stations).
- (8) Grand total (items 2, 3, 4, 5, 7, and 8). *
- (9) Names of all salespersons.
- (10) Verified by _____
Accounting Technician

The Accounting Technician shall verify the information recorded on the sales packet is identical to that shown on the close-the-store report. Accounting staff shall use the enclosed information to make entries in the FMS System at least weekly. The proper sub-object for each 40 transaction used for entering the daily information is:

- (1) Total coin sales - sub-object 2668.
- (2) Total stamp sales - sub-object 2673.
- * (3) Total debit card vending sales (if applicable)
- sub-object 2689.
- (4) Total photo ticket sales (if applicable) - sub-object
2664.
- (5) Total ITS credits - sub-object 2684.
- (6) Total regular sales (including SPO sales) - sub-object
2675. *

The single envelope, with all daily sales receipts and all supporting documents, shall be filed, in chronological order of sales date, in a locked file in the Accounting section to preclude tampering.

Note: If a month ends during the week, sales shall be reported in FMS using a separate Journal Voucher for each month having sales during that week. Sales for the month after a quarter ends shall not be entered until the new quarter has been opened in the accounting system.

k. The Accounting staff shall perform the "Close the Store" function prior to the next day's sales. The "Daily Combined Transaction Journal" report shall be placed with the appropriate sales packet. The "Daily Combined Transaction Journal" report shall be used to reconcile errors. The "Daily Sales by Item" and the "Credit Sales Summary" report, produced in the "Close the Store" function, shall be provided daily to the Trust Fund Supervisor.

(1) Daily Sales by Item Report. The Trust Fund Supervisor shall review the report daily and maintain copies of the report for the most recent quarter.

(2) Credit Sales Summary Report. The Trust Fund Supervisor shall review the "Credit Sales Summary" report to look for such items as unusual sales, credit sales of even amounts, or large numbers of credit sales. Any unusual circumstances shall be investigated through a review of the original sales receipts and the results of the review documented on the "Credit Sales Summary" report.

The "Credit Sales Summary Report" shall then be filed with the corresponding day's sales packet.

(3) Daily Balancing and Reconciliation of Commissary Inventory. The Trust Fund Supervisor shall ensure the daily balancing of FPPPOS and the reconciliation of Commissary inventory is completed as described in Chapter 4527.

Chapter 4526 - Spending Limitation

1. PURPOSE AND SCOPE. This Chapter outlines procedures for establishing and reviewing the limits placed on inmate spending in the Commissary.

It is Bureau policy to allow inmates the opportunity to purchase goods in the Commissary. To eliminate the disparity between affluent inmates and inmates with few resources, a spending limitation is necessary. The spending limitation is the maximum amount an inmate is allowed to spend per month on sales items not excluded from the monthly spending limitation, as described in Paragraph 3 below.

The Chief, Trust Fund Branch shall review the Consumer Price Index (CPI) published by the Department of Labor annually to determine if an increase in the limitation is justified. If it is determined to be justified, increases shall be granted in \$5.00 increments effective on the date defined by an Operations Memorandum signed by the Assistant Director for Administration. When major program changes warrant, additional increases may be granted upon the Executive Staff's approval.

In an effort to provide additional enjoyment during the Christmas/New Year holiday season, the spending limitation during this season will be increased by \$50. The increased spending limitation for each inmate shall be in effect for no more than one validation period.

2. SPENDING LIMITATIONS. Each Warden shall establish a monthly spending limitation not to exceed the current Bureau-established limitation for Commissary sales. To enable institution management to control or restrict gambling and other illicit activities involving "payoffs", local controls, including quantity limitations, may be established to restrict trafficking in items sold through the Commissary. This may include restrictions on items offered for resale through the Hobby Shop or SPO Programs.

Institutions without a Trust Fund snack vending machine operation may increase the monthly spending limitation not to exceed \$60 over the current established limitation for Commissary sales.

3. ITEMS EXCLUDED FROM THE SPENDING LIMITATION

Any approved item having a unit selling price of \$25 or more.

* # Coins, debit card vending transactions, Inmate Telephone System credits.

*

Postage.

Hobby shop supplies.

SPOs that exceed \$25.

Discharge clothing, technical and trade publications, self-improvement textbooks, correspondence courses, tools and materials for educational or vocational training, law books or other legal materials, eyeglasses, religious articles, (including publications and books).

Tickets or tokens (e.g., photo tickets, laundry tokens).

Combination padlocks (Master Lock #1525).

Cards used for copy machine vending.

Over-the-counter medical items/personal hygiene items as described in Chapter 4522, Paragraph 7.p.

Kosher/Halal certified shelf-stable entrees.

4. REVALIDATION OF SPENDING LIMITATION. The spending limitation shall be revalidated once per month for each inmate. Resetting the spending limitation (revalidation) shall be performed by the Trust Fund Supervisor on the FPPOS System.

Chapter 4527 - Inventory Control

1. PURPOSE AND SCOPE. This Chapter outlines procedures for controlling inventory items sold in the Commissary.

2. PURCHASE OF RESALE ITEMS. Trust Fund contracts and Purchase Orders shall be subject to the same rules, regulations, and limitations governing institution transactions, with the exception that it is optional for institutions to obtain competitive bids for Trust Fund merchandise that is purchased for resale in the Commissary. In addition, it is not mandatory that Federal Supply Service (FSS) schedules be used for purchases of items for resale. Pursuant to approval of the Commissioner, General Services Administration (GSA), on September 13, 1963, stock items may also be purchased through the GSA Supply Catalog for resale in the Commissary. When the procurement is not competitive, and specific brands of merchandise are required, care shall be exercised that the procurement is made directly from a manufacturer or distributor who will provide a fair and reasonable cost.

* Merchandise for resale may be purchased using the Government Credit Card. However, special procedures are required to ensure the inventory is properly maintained. Paragraph 4 provides guidance on this process. *

3. PURCHASE PROCEDURES. Warehouse staff shall be provided with a FPPOS "hot list" by vendor and a FPPOS Stock Status Report to assist in determining ordering requirements. A FPPOS Request for Purchase shall be generated for all items purchased for resale including credit card purchases.

Based on current sales trends and the FPPOS-generated reports, Warehouse staff shall submit their stock requirements on a Request for Purchase (BP-101), a Recurring Item Specification Card (BP-134), or a FPPOS generated Request for Purchase to the Trust Fund Supervisor for approval. It will then be forwarded to procurement staff for processing.

The purchase of stock items, based on requirements submitted by Warehouse staff, is the responsibility of the procurement staff. Trust Fund Requests for Purchase and Purchase Orders shall be prepared in accordance with procedures outlined in the BOP Acquisition Policy.

* 4. GOVERNMENT CREDIT CARD PROCEDURES FOR COMMISSARY RESALE MERCHANDISE. Use of the credit card for purchases of Trust Fund resale merchandise is optional. However, if this method of procurement is used, a credit card shall be established which is

used only for the purchase of resale merchandise and is not used for other purchases such as Trust Fund supplies. The following procedures will be applicable for purchases of resale merchandise using the Government Credit Card.

Refer to the current Accounting Policy on the Commercial Credit Card Payment Module for specific guidelines and procedures related to accruals and payments for resale merchandise. General procedures for use of the Government Credit Card are found in the BOP Acquisition Policy and Procurement TRM.

Note: These special procedures are different than those procedures outlined for purchasing other than resale items. These procedures are necessary in order to maintain control of the Commissary inventory and to properly match costs to revenue in the same accounting period.

a. A Request for Purchase (BP-101) shall not be used for credit card purchases, but rather a Credit Card Purchase Request (CPR) form is initiated for Commissary resale merchandise. A sample of a CPR is included as Attachment B; this form or a similar document containing the essential information may be used. The CPR is forwarded to the Cost Center Manager (or Approving Official) for approval. Once the resale merchandise is ordered, the original of the CPR is retained by the cardholder, a copy is provided to the Warehouse and a copy to the Trust Fund Technician. The Trust Fund Technician shall generate an FPPOS Request for Purchase and retain a copy of the FPPOS Request for Purchase with the copy of the CPR.

b. The Warehouse shall retain its copy until the order is received. Once the order is received and quantities verified and noted on the CPR, the CPR is given a Receiving Report Number and the cost and selling price of the resale merchandise are recorded on the CPR. A copy of the CPR, supporting packing slips and receipts shall be delivered to the credit card holder.

Note: Institutions may elect to process a regular Receiving Report, BP-104 in lieu of using the CPR as both the ordering and receiving document.

Copies of the completed CPR/RR are distributed as follows:

Copy retained by the Warehouse in the numerical receiving report file;

Copy is forwarded to the Trust Fund Technician for entry into FPPOS; and

Copy is forwarded to accounting for entry into FMS to increase the inventory at selling price (40 transaction with the

appropriate sub-object (2676 for regular merchandise; 2673 for stamps).

c. The cardholder shall follow the procedures outlined in the BOP Acquisition Policy for maintaining records and verifying the monthly "Statement of Account of U.S. Government Credit Card." In addition, the cardholder shall determine the dollar sum of all resale merchandise ordered with the credit card and received during the month but which did not appear on the monthly credit card statement. This amount shall be forwarded with the signed credit card billing statement and supporting documents to the Approving Official within 10 calendar days of the statement date.

d. The Approving Official shall follow the procedures outlined in the Procurement TRM for maintaining records and reviewing the monthly credit card statements. The Approving Official shall forward the signed statement(s) to Accounting by the last day of the month along with the accrual memorandum required in the Accounting Policy on the Commercial Credit Card Payment Module. The accrual memorandum will document an amount for credit card purchased resale merchandise and, if applicable, an amount for stamps, which were received during the month but were not included on the monthly billing statement.

It is critical that the required accruals are established and liquidated in order to reflect an accurate Trust Fund financial status.

e. The Bureau-wide payment to the contractor for all credit card purchases will be generated automatically at the Central Office and the institutions shall be notified via FMIS message once the payment has been made. Procedures in the Accounting Policy on the Commercial Credit Card Payment Module describe the necessary accounting procedures for establishing the accrual for resale merchandise and for reposting the transactions for resale merchandise from the sub-object 2652 (credit card default sub-object) to the appropriate sub-object (2670 for regular merchandise; 2673 for stamps) prior to the end of the month.

This reposting is necessary to ensure the payments for resale merchandise are properly recorded in the Cost of Goods Sold General Ledger Account, 812.X.

f. The Approving Official shall maintain the Master Account Summary Reports and copies of all monthly cardholder statements with attached documentation (CPRs, packing slips, receipts, etc.) as required in the Procurement TRM.

g. Stamps may be purchased with the credit card, however, an accrual must be included as a separate item on the monthly accrual memorandum (see Paragraph 4.d) for stamps received but not paid for.

h. Coins may not be purchased with the credit card.

i. All other procedures related to the policy on the Government-wide Commercial Credit Card Program as outlined in the BOP Acquisition Policy and Procurement TRM shall be followed.

5. CASH PURCHASE PROCEDURE. Institutions may use cash purchase procedures for making purchases from the Trust Fund. Cash purchases shall be made in accordance with procedures in the Accounting Management Manual. Receiving Reports (BP-104) shall be prepared and processed in accordance with existing policy for all purchases of merchandise bought for resale in the Commissary.

6. STORES FROM SURPLUS SOURCES. Merchandise for resale in the Commissary shall not, under any circumstances, be acquired through surplus channels.

7. RECEIPT AT THE INSTITUTION. Trust Fund merchandise received at the institution shall be inspected and accepted in the same manner as all other institution items.

a. Preparation of the Receiving Report. A Receiving Report shall be prepared and the copies distributed in accordance with Chapter 4573 (Receiving Report Copy of Purchase Order used for complete orders and BP-104 for partial orders). The FPPOS Request for Purchase number shall be indicated on the Receiving Report. All Receiving Reports for Trust Fund resale items shall indicate the individual count (number of sellable items) contained in merchandise received in cases, boxes, etc. The Universal Product Code (UPC), if known, may be indicated on the Receiving Report.

* If at the time of receipt of Commissary merchandise there is a discrepancy between the Purchase Order price and the invoice price, staff shall resolve the difference by contacting the Contracting Officer to ensure the Receiving Report is prepared with the correct price. *

Note: If merchandise has been determined to be damaged after receipt and before it is made available for sale, a contra-Receiving Report shall be prepared and processed as described in Chapter 4573. If replacement goods are later received for the damaged merchandise, a Receiving Report shall be processed according to the procedures in Chapter 4573.

b. Calculation of Selling Price. Warehouse staff shall compute the individual selling price in accordance with Chapter 4523. The computed selling price shall be entered on the Receiving Report document.

Example:

Unit	T	Total
Selling	*	(Unit selling price
Price	*	multiplied by units received)
.45	*	64.80 (received 144 X .45 = 64.80)
.50	R	30.00 (received 60 X .50 = 30.00)

c. Preparing and Processing the FPPOS Receiving Report. Upon receipt of the Requisitioner Copy of the Receiving Report, a FPPOS Receiving Report using two-ply computer paper shall be generated. If a selling price change has occurred, procedures outlined in Chapter 4523 for price adjustments shall be followed. The selling price indicated on the Requisitioner Copy of the Receiving Report shall be compared to the FPPOS Receiving Report for accuracy. Discrepancies shall be immediately reconciled.

The original FPPOS Receiving Report shall be attached to the Requisitioner Copy of the Receiving Report and filed numerically by FPPOS Receiving Report number. The duplicate copy of the FPPOS Receiving Report shall be immediately forwarded to the Warehouse staff to indicate receipt in the FPPOS System.

Generally staff shall prepare the FPPOS Receiving Report and enter the merchandise into the FPPOS inventory within two working days of receipt of the Requisitioner Copy of the Receiving Report but in no case shall the merchandise be stocked on the shelves or sold in the Commissary prior to being entered into the FPPOS inventory.

8. RECEIPT AT THE COMMISSARY. Upon receipt from the Warehouse, the Trust Fund sales staff have complete custody of, and responsibility for, all Trust Fund merchandise.

Trust Fund staff shall verify items and quantities noted on the Receiving Report before merchandise is accepted into the Commissary inventory. The Trust Fund technician shall be responsible for ensuring all receiving documents are recorded into the FPPOS System. Items must be received into the FPPOS System prior to merchandise being sold in the Commissary.

9. DAILY BALANCING AND RECONCILIATION OF COMMISSARY INVENTORY. Beginning no later than FY 1997, the Trust Fund Supervisor shall ensure that the Commissary Inventory at Selling Price, as recorded in the FPPOS System, is reconciled daily through a comparison of the FPPOS Control Account and the FPPOS Stock Status Report. A Commissary Inventory Reconciliation file shall be maintained and will include a Stock Status Report and a Control Account printout for each day. Any difference shall be researched, reconciled and documented. The FPPOS Technical Reference Manual provides the details on conducting this reconciliation.

During a quarter, if the physical inventory of a specific item reveals a difference when compared to the FPPOS Stock Status Report, an Inventory Adjustment (F3, F3), and corresponding Control Account entry, may be performed to correct the difference within FPPOS. However, this adjustment may be accomplished only after a cause for the difference can not be determined. Do not forward this type of FPPOS Inventory Adjustment document to Accounting for entry into the accounting system.

10. INVENTORY LIMITATIONS. The Trust Fund Supervisor shall be responsible for maintaining a fresh and adequate stock of merchandise. To accomplish this, periodic comparisons of the sales history and the minimum and maximum order points established in the FPPOS System shall be performed. Order points shall be adjusted to prevent under/overstocking. To ensure that operating funds are not tied up in excessive regular merchandise inventory, stock limitations shall be established and maintained at each institution as follows:

- ◆ Regular sales merchandise - 2.0 times the monthly average sales for the last two quarters.

- ◆ Coin inventory (including the amount in the Coins in Transit account (General Ledger 166.0)) - 1.5 times the monthly average sales for the last two quarters.

- ◆ Stamp inventory (including the Stamp in Transit account (General Ledger 165.0)) - 1.5 times the monthly average sales for the last two quarters.

The Trust Fund Supervisor shall ensure that these limitations are not exceeded.

* 11. INVENTORY MAINTENANCE. Trust Fund staff shall review items stocked in the Commissary routinely for those which are slow-moving or nearing date of expiration. The following steps should be taken prior to initiating a Report of Survey (BP-111).

*

◆ Outdated items or items damaged in shipment shall be returned to the vendor for credit when possible. If the vendor refuses to accept the merchandise for exchange or credit, full documentation outlining the steps taken to return the merchandise must accompany the Report of Survey. When possible, a statement in writing from the vendor indicating refusal to accept the merchandise should be obtained.

◆ If an item cannot be sold at its original selling price, but is still sellable, the item shall be offered for sale at a reduced price, equal to or below cost, rather than surveying the item with no realized value. The reduced price shall be determined by the Controller in advance of the actual sale of the item(s). A Report of Survey reflecting the amount of the markdown shall be prepared and processed.

12. SURVEY PROCEDURES. When Commissary merchandise is damaged, unfit for resale, or destroyed through some unusual cause such as fire or inmate disturbance, a Report of Survey shall be processed in accordance with the Property Management Manual.

When Commissary merchandise is lost due to theft or suspected theft, a Report of Survey shall be prepared in accordance with the Property Management Manual except that the amount of the survey shall be recorded in FMS as an inventory shortage.

A copy of all Reports of Survey shall be provided to Accounting for entry into FMS using a 40 transaction to the appropriate sub-object:

- 2677 - inventory adjustment for surveys of merchandise other than those related to theft;
- 2678 - inventory adjustment for overages; and
- 2679 - inventory adjustments for shortages including those related to theft.

* A 40 transaction shall be entered as follows:

Report of Survey: X4-1-323-536-CMS-2677 G2 099

Positive amount in column 1. This will generate automatic entries to the following general ledger accounts:

	<u>Debit</u>	<u>Credit</u>
Report of Survey	963.0	
Inventory at Selling Price		961.0

Inventory Overage: X4-1-323-536-CMS-2678 G3 099

Positive amount in column 1. This will generate automatic entries to the following general ledger accounts:

	<u>Debit</u>	<u>Credit</u>
Inventory at Selling Price	961.0	
Inventory Overage		964.0

Inventory Shortage: X4-1-323-536-CMS-2679 G4 099

Positive amount in column 1. This will generate automatic entries to the following general ledger accounts:

	<u>Debit</u>	<u>Credit</u>	
Inventory Shortage	965.0		
Inventory at Selling Price		961.0	*

Reports of Survey shall be approved by the Board of Survey prior to final disposition of the merchandise. A copy of all Trust Fund surveys shall be forwarded to the appropriate Regional Comptroller for review and to verify reconciliation to the appropriate General Ledger account.

A copy of the Report of Survey shall be the supporting document for the inventory adjustment and shall be attached to the "Inventory Adjustment" report.

If surveys at selling price exceed .0015 times actual regular Commissary quarterly sales in any one quarter, a memorandum and copies of the Reports of Survey shall be submitted with the Trust Fund Quarterly Inventory Differences Report from the Warden to the appropriate Regional Director, explaining the necessity for the survey(s) and what action is being taken, if appropriate, to reduce surveys in the future. A copy of the memorandum and applicable Reports of Survey shall be submitted with the Trust Fund Quarterly Inventory Differences Report to the Chief, Trust Fund Branch. Reports of Survey shall be processed in the FPPOS System by the Trust Fund Technician using the inventory adjustment function.

If, during the course of a quarter, merchandise is lost due to theft, natural disaster (fire, hurricane, etc.) or inmate disturbance, the Comptroller shall be immediately notified by telephone. The Comptroller shall immediately report the incident and available details (type of loss, estimate of damages, and actions taken) to the Chief, Trust Fund Branch.

Prior to processing a Report of Survey for stamp shortages, a copy of the Report of Survey shall be forwarded through the appropriate Regional Comptroller to the Chief, Trust Fund Branch

for concurrence. Prior to processing a Report of Survey for coin shortages, procedures outlined in Chapter 4520, Paragraph 7 shall be followed.

13. TRANSFER OF STOCK. If the Commissary has excess stock, in original condition, and efforts to return the merchandise to the vendor or sell it at a reduced price have been exhausted, the Trust Fund Supervisor is authorized to contact other institutions to effect transfer of the excess merchandise. Procedures for transferring merchandise to other institutions shall be in accordance with the Property Management Manual.

Excess merchandise shall be offered to other institutions at a predetermined price, usually 20 to 25 percent below the original cost, and transportation charges shall be paid by the gaining institution. The gaining institution shall submit a Purchase Order. A Report of Survey shall be prepared by the losing institution to facilitate inventory adjustments.

A copy of the Report of Survey shall be the supporting document for the item adjustment to inventory in FPPOS and shall be attached to the "Inventory Adjustment" report. A copy of the Report of Survey shall be provided to Accounting for the entry into FMS using a 40 transaction and sub-object 2676.

14. TRANSFER OF PERISHABLE MERCHANDISE TO THE INSTITUTION. When fresh fruits or other perishable edible items are in excess of demand and spoilage will result if the items are not disposed of promptly, staff in the institution Food Service department may be contacted to determine if they could advantageously use the merchandise. If so, the items may be transferred at cost or other agreed-upon price.

Transfer of Commissary stock to the institution shall be accomplished using the Stores Requisition, Invoice and Transfer Request (BP-100). Procedures for processing the Stores Requisition are outlined in Chapter 4577.

The Stores Requisition shall be processed in the FPPOS System using the inventory adjustment function. A copy shall be the supporting document for the inventory adjustment, and shall be attached to the "Inventory Adjustment" report. The yellow copy of the Stores Requisition shall be provided to Accounting for the entries into FMS.

15. QUARTERLY INVENTORY PREPARATION. An itemized physical inventory of all merchandise in the Commissary shall be performed at the end of each quarter. If necessary, the Commissary may be closed for a maximum of one week to conduct and reconcile the

quarterly inventory. This inventory shall be used to support quarterly entries into FMS.

Prior to the inventory, the Trust Fund Supervisor, in conjunction with the Supervisor of Warehouse operations and the Trust Fund technician, shall ensure the following documents have been prepared, entered into FPPOS, and forwarded to Accounting for entry into FMS:

- ◆ Receiving or Contra Receiving Reports for merchandise.
- ◆ Reports of Survey for damaged or outdated merchandise.
- ◆ Price adjustments.
- ◆ Sales information through the current period.
- ◆ Stores Requisitions for sales of merchandise to institutions.

16. CONDUCTING THE PHYSICAL INVENTORY. The official count of Commissary inventory (merchandise, coins, stamps) shall be made by financial management staff using the FPPOS inventory worksheet. The inventory shall be conducted and reconciled to ensure the accuracy of the physical count. One team shall be designated the Official Inventory Team and shall be composed of staff who were not assigned to conduct Commissary sales or who did not maintain the FPPOS inventory during the quarter or who did not take part in the Official Inventory Team count the previous quarter. The second team may be designated by the Controller to conduct a count to be compared to the official count or to assist in the reconciliation. The only inventory worksheets maintained on file shall be worksheets completed and signed by the Official Inventory Team. Inmates shall not participate in any way during the physical inventory. Prior to the inventory, inmates may be used to organize stock.

The employees performing the inventory shall:

- ◆ Count the items at all sales areas (main institution, camp, special housing unit etc.)
- ◆ Enter the quantity counted on the FPPOS inventory form.

When all merchandise has been inventoried, the physical counts on the worksheets from the two teams shall be compared and any differences reconciled by a recount.

Following reconciliation, only the members of the Official Inventory Team shall sign the Inventory Worksheets.

The Trust Fund Supervisor shall ensure that the following actions are completed:

- ◆ Reconcile any differences between the physical count and the FPPOS reported quantity by performing an inventory adjustment in FPPOS. This "End of Quarter Inventory Adjustments" report from FPPOS requires the Controller's approval.
- ◆ Compare the quantities entered on the Inventory Adjustments printout to the totals on the Official Inventory Worksheets to ensure the adjustments were entered correctly.
- ◆ Produce a final Stock Status Report after completion of the inventory adjustments. Print and sort the final Stock Status Report in the same format as the Inventory Worksheet (i.e., by item number).

The selling price of the physical inventory shall be used for comparison with the inventory at selling price value reported in FMS (961.0).

Research any significant inventory valuation difference by:

- ◆ Comparing the FPPOS transactions to the FMS transactions for the quarter (i.e., compare the FPPOS History Report for Receiving to the FMS 100.51A Report or recent Batch Report).
- ◆ Recounting any item on the Inventory Adjustment Report which required a large inventory quantity adjustment.
- ◆ Reviewing Receiving Reports for evidence of non-resale items (i.e., paper bags) recorded as resale merchandise.

Prepare and process any correcting entries.

- ◆ Provide copies of the signed Official Inventory Worksheet, Report of Survey, end of quarter inventory adjustments, and the final Stock Status Report to the Accounting section as supporting documentation for the appropriate accounting entries in FMS.

Accounting staff shall enter the inventory at cost from the FPPOS final Stock Status Report (printed after adjustments) into FMS using an 05 transaction and to the following sub-objects: 2668 - Coins; 2670 - Regular Inventory (Includes SPOs and Hobby Craft); and 2673 - Stamp Inventory.

Note: The end of quarter 05 transaction to record Trust Fund inventory at cost must be reversed in FMS, using the same sub-objects, at the beginning of the next quarter.

17. END OF QUARTER ACCOUNTING REQUIREMENTS. Accounting staff shall compare the "total value at selling price" of inventory in FPPOS to the General Ledger account (961.0 - "Inventory At Selling Price"). Any difference shall be examined to ensure that all source documents have been correctly entered into FMS and any necessary reconciling entries have been made to FMS. The difference between FMS and "total value at selling price" from FPPOS shall be reported as an overage or shortage using a Report of Survey form.

- * Entries for overages and shortages found as a result of a physical inventory shall be made prior to closing out the accounting quarter. Inventory shortage (decrease in inventory as a result of a physical inventory) shall be recorded in FMS using the following 40 transaction:

X4-1-323-536-CMS-2679 G4 099 Positive amount in column 1.

Inventory overage (increase in inventory as a result of a physical inventory) shall be recorded in FMS using the following 40 transaction:

X4-1-323-536-CMS-2678 G3 099 Positive amount in column 1.

*

18. END OF QUARTER REPORTING REQUIREMENTS. A Trust Fund Quarterly Inventory Differences Report shall be prepared by the Controller after the close of the accounting quarter. The report and a copy of the final Stock Status Report, sorted by Department, shall be forwarded no later than the fifth day following the close of the accounting quarter, to the Regional Director: Attention Regional Comptroller.

The Trust Fund Quarterly Inventory Differences Report shall be submitted using the format in Attachment A and the information from the **last** FMS 100.63 report for the quarter before overage and shortage entries are made. The 100.63 report after the overage and shortage entries are made shall be the FINAL 100.63 report.

Regional Office staff shall review the institution Quarterly Inventory Differences Reports and forward a consolidated report, any required memoranda (as described below for inventory or survey differences), and the individual institution's final Stock Status Reports to reach the Chief, Trust Fund Branch no later than the 20th day following the close of the calendar quarter.

Inventory differences exceeding .0025 times the actual regular Commissary sales (General Ledger Account, 711.1) for the quarter shall be reported by telephone immediately and confirmed in

writing to the Regional Comptroller. The Regional Comptroller shall immediately report this to the Regional Director and the Chief, Trust Fund Branch. The Regional Comptroller shall forward a copy of the memorandum from the institution to the Chief, Trust Fund Branch with the Quarterly Inventory Differences report. If appropriate, and based on the circumstances surrounding the difference, the Regional Director or the Chief, Trust Fund Branch may request a full review of the inventory difference. If the review reveals neglect, mismanagement, or fraud on the part of the staff, appropriate disciplinary action shall be initiated.

If inventory differences exceed .0025 of actual regular Commissary sales for two consecutive quarters, the institution must perform monthly inventories until the inventory problems are resolved. Results of the monthly inventory must be reported to the Regional Comptroller, who shall monitor the institution's progress. When it has been determined that inventory differences have been resolved, and at the Regional Comptroller's discretion, the monthly inventory may be discontinued. The Regional Comptroller shall report progress on the monthly inventories on each quarter's Trust Fund Quarterly Inventory Differences Report.

19. TRUST FUND OPERATIONS FOR SATELLITE CAMP COMMISSARIES Subject to prior approval of the Chief, Trust Fund Branch a Commissary may be established at a camp dormitory at an institution where it is not practical for inmates to visit the main institution Commissary. When approved, Warehouse staff shall conduct sales as prescribed in Chapter 4525. A separate inventory accountability may be maintained for satellite camps. Sales merchandise for satellite camp units may be taken directly from the main Commissary and considered a part of the regular 961.0 General Ledger account in FMS. Quarterly inventories shall be conducted as prescribed for the main Commissary and shall be considered part of the complete Commissary inventory.

20. TRANSFER OF COMMISSARY MERCHANDISE TO S&E ACTIVITIES. Commissary merchandise may on occasion be transferred to S&E Appropriation activities. Such transfers should generally be infrequent, generated by a specific need only. The Trust Fund shall transfer the items to the institution at cost. An appropriately approved Stores Requisition, Invoice, and Transfer Receipt (BP-100) is used as the source document to accomplish the transfer and support required accounting entries. Appropriate entries into the FPPOS System for sales to the institution must be made. A Journal Voucher shall be generated to document the transfer. An 02 transaction (contra-disbursement) shall be entered in FMS using sub-object 2670 along with the disbursement from the S&E Appropriation. A negative 40 transaction shall be entered to reduce the inventory in FMS using sub-object 2676.

TRUST FUND QUARTERLY INVENTORY DIFFERENCES REPORT
 _____ QUARTER FY _____

(1) (11) REGION/ \$ OVER INST. ALLOWANCE	(2) FPPOS BALANCE PRIOR TO ADJ.	(3) PHYSICAL INVENTORY	(4) FMS BALANCE	(5) OVERAGE/ SHORTAGE	(6) QTR. SALES	(7) .0025 OF SALES	(8) \$ OVER ALLOWANCE	(9) QTR. RPT. OF SURVEY	(10) .0015 OF SALES
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- (1) Name of Region/Institution.
- (2) Stock Status Report, "Value Based on Selling Price," prior to entering inventory adjustments.
- (3) Final Stock Status Report, "Value Based on Selling Price," after entering all inventory adjustments.
- * (4) LAST FMS General Ledger Trial Balance (100.63) Report, Account 961.0 "Inventory at Selling Price" received before entering overage/shortage amounts are entered. *
- (5) Actual overage or shortage adjustment made in FMS for the quarter (Column 3 minus Column 4).
- (6) Total sales for the quarter. Should equal the Final FMS General Ledger Trial Balance (100.63) Report, Account 711.1 "Income - Regular Inventory," less the sum of all prior "Qtr. Sales from Regular Inventory".
- (7) Column six (6) multiplied by .0025.
- (8) Compare column five (5) to column seven (7); enter only the amount (overage or shortage) exceeding the tolerance, otherwise enter zero. Differences in excess of the tolerance require a memorandum of explanation.
- (9) Total Reports of Survey for the quarter. Should equal the Final FMS General Ledger Trial Balance (100.63) Report, Account 963.0 "Report of Survey," less the sum of all prior "Qtr. Rpt. Of Survey" from previously submitted Quarterly Inventory Differences Reports. (Explain any differences).
- (10) Column six (6) multiplied by .0015.
- (11) Column nine (9) minus column ten (10); enter only the amount exceeding the Report of Survey tolerance, otherwise enter zero. Differences exceeding the tolerance require a memorandum of explanation.

Note: The inventory tolerance is based on regular Commissary inventory only (excluding coins and stamps). "LAST FMS General Ledger Trial Balance (100.63) Report" refers to the FMS report generated at the end of the accounting quarter prior to the entry of the overage/shortage amounts. *

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF PRISONS
TRUST FUND CREDIT CARD PURCHASE REQUEST FORM
(Not for Personal Use Items)

FPPOS RP NUMBER: _____

TRUST FUND RECEIVER #_TF-_____

VENDOR'S NAME: _____

PHONE NUMBER: _____

DEPARTMENT: Financial Management/Trust Fund - Commissary

WHS NUMBER: _____

CARD HOLDER'S NAME (PLEASE PRINT): _____ DATE: _____

[illegible]

TOTAL AMOUNT: \$_____

TOTAL MARKUP: \$

ACCOUNTING CODE (IF OTHER THAN DEFAULT):

CARD HOLDER'S SIGNATURE: _____ DATE: _____

CCM/APPROVING OFFICIAL'S SIGNATURE: _____ DATE: _____

WAREHOUSE RECEIVED: _____ DATE: _____

CARDHOLDER RECEIVED: _____ DATE: _____

FUND CONTROL NUMBER: _____ ACTUAL AMOUNT CHARGED TO CREDIT CARD: \$ _____

* **Chapter 4528 - Postage Stamp Program**

1. PURPOSE AND SCOPE. The Central Office Trust Fund Branch has established a program to order and receive stamps by mail through a U.S. Postal Service (USPS) contracted consignment vendor. The consignment program allows stamps to be mailed to each Bureau institution. There are no costs to the institution for program participation.

This program has been tested at several institutions resulting in reduced labor involved in ordering and maintaining accountability for Treasury checks and eliminating travel to the Post Office to obtain stamps. In addition, due to the efficient procedures for ordering and rapid delivery, stamp inventories are reduced.

Participation in this program is voluntary. Institutions desiring to initiate the stamp program must follow the procedures in this Chapter.

2. PROCEDURES FOR INITIATING THE STAMP PROGRAM. The institution is to contact the Central Office Trust Fund Branch Operations staff at (202) 616-6173 to receive a copy of the Consignment Agreement with the Amplex Corporation and a New Client Information form. The Trust Fund Branch makes any changes to the Consignment Agreement.

A local Purchase Order (PO) is established with the stamp consignment vendor listed below. A copy of the Central Office Consignment Agreement is to be attached to the institution copy of the PO and remain on file.

Amplex Corporation
1100 Fountain Parkway
Grand Prairie TX 75050-1513
(800) 889-8871 Extension 669

Amplex Corporation pays all shipping charges for stamps mailed to the institution. Delivery time is within two to four days from placing the order. All stamps are delivered by USPS mail with a return receipt. The name of the staff member who should receive the stamps is to be listed on the PO and on the New Client Information form. The Inmate Systems Management Department is to be notified that the staff member's stamps are going to be delivered.

Note: The Amplex Corporation does not participate in the Government-wide Credit Card Program.

3. PLACING ORDERS. Stamps are available in various denominations, types, and styles. The Amplex Corporation will provide each institution with a brochure of available styles and denominations upon request.

Orders for stamps may be made periodically based on demand or a recurring order may be established.

a. Orders on Demand. Institutions may call or fax orders to the Amplex Corporation as needed. A Request for Purchase must be prepared every time stamps are ordered on demand. A Financial Management System (FMS) 02 Transaction or a Financial Management Information System (FMIS) OLB II transaction will be done to establish an obligation for undelivered orders as follows:

02 Transaction X4 1 323 536 CMS 2673 Col 3
+ amount

or

OBL II Transaction FP ** ** ** C2 X4 SOC 2673
Non-Recurring Obligation

**Denotes Region, Facility, and Level Codes.

This generates automatic entries to the following general ledger accounts:

	<u>Debit</u>	<u>Credit</u>
Unobligated Balance	652.0	
Accrued Expenditures		660.0

b. Recurring Orders. The Amplex Corporation will work with each institution to establish monthly or weekly orders. Based on the volume of weekly sales, a standing order of a preset number of stamps can be shipped on a predetermined recurring shipment date.

Standing orders may be changed temporarily or permanently simply by calling the Amplex Corporation at least one day before the scheduled shipment date. The frequency of standing orders must be at least once every nine weeks. Accruals should be established for recurring orders in accord with the Program Statement on Accounting - Recording Obligations or procedures in current Bureau policy on FMIS - Obligation Module.

d. Hotshot Orders. Emergency orders, referred to as "Hotshots" are available if stock is suddenly depleted. There is no additional delivery charge for Hotshot orders.

There are no order maximums established.

<u>Col 2</u>	<u>Col 3</u>
--------------	--------------

or

This transaction will liquidate the amount in Undelivered Orders and establish an amount in Accounts Payable and affects the following general ledger accounts automatically:

b.	FMS 40 Transaction X4 1 323 536 CMS 2692 H1 099	<u>Col 1</u> +amount
----	---	-------------------------

This transaction will place the stamps in inventory and affects the following accounts automatically:

	<u>Debit</u>	<u>Credit</u>
Inventory at Selling Price	961.0	
Purchased Items-Sell Pr		962.0
Cost of Goods Sold-Stamps	812.4	
Stamp Checks in Transit		165.1

5. PAYMENT TO THE VENDOR. Invoices are based on weekly orders. Invoices must not be accumulated but, rather, are to be paid in adequate time for payment to be received by the vendor within 30 days of receipt of the individual weekly invoice. Payments are to be processed by Electronic Fund Transfer (EFT). The Amplex Corporation will provide a bank routing number and account information upon request.

Payments shall be processed to the following address:

U.S. Postal Services
Stamps on Consignment
Post Office Box 2350
Carol Stream IL 60132

The statement number referenced on each invoice must be included in the description field when the payment(s) are processed.

The following accounting entries are to be made to record payment to the vendor and to liquidate the Accounts Payable which will affect the following general ledger accounts:

To liquidate Accounts Payable:

	<u>Col 1</u>	<u>Col 2</u>
FMS 36 Transaction X4 1 323 536 CMS 2673	+amount	-amount

FMIS:

Distributed Vendor Payment (DVP) Payment II
Pay an Invoice
Disbursement Mode V

This will generate automatic entries to the following general ledger accounts:

	<u>Debit</u>	<u>Credit</u>
Accounts Payable	420.X	
Stamp Checks in Transit		165.1
Accrued Expenditures	653.0	
Unobligated Balance		652.0
	<u>Debit</u>	<u>Credit</u>
Stamp checks in Transit	165.1	
Net Disbursements		110.4
Unobligated Balance	652.0	
Accrued Expenditures		653.0

6. CREDIT FOR OBSOLETE STAMPS. Each institution may return to the Amplex Corporation a maximum of \$100 of stamps currently in Commissary inventory that have become obsolete or unsalable and receive full credit for the value of the stamps. Each institution is to forward a memorandum to the Amplex Corporation with a copy to the Chief, Trust Fund Operations Section listing any stamps currently in Commissary inventory that have become obsolete or unsalable.

The Amplex Corporation will issue a Request for Credit form to the institution. The completed Request for Credit form and the stamps are to be forwarded to the Amplex Corporation, with a return receipt requested. Shipping charges to return these stamps are to be paid out of the institution Trust Fund budget as an operating supply expense using sub-object 2601 in FMS and 2699 in FMIS. An adjustment must be made in the FPPOS for stamps removed from inventory and a Contra-receiving Report will be used as supporting documentation to remove items from inventory in FMS.

*

Chapter 4540 - Vending Operations - General

1. PURPOSE AND SCOPE. This Chapter establishes operating procedures and elements of internal control for Trust Fund vending machine programs. Selling products or services through vending machines is a function of the Trust Fund program and contributes substantially to its services. The operation of vending machines for the benefit of the inmate population shall be considered an extension of the Trust Fund sales unit operation, and any profit and/or commissions derived from the vending machine operations shall be returned to the Trust Fund Appropriation. Other vending machine operations within the institution such as the employees' clubs or other organizations are not a part of the Trust Fund operation.

2. TYPES OF VENDING OPERATIONS. All vending machines at Bureau facilities are classified into one of the following categories:

◆ Class 1. All vending machines located in an institution's visiting room that are accessible to both inmates and visitors.

◆ Class 2. All vending machines located in areas that are off limits to the inmate population (e.g., Staff Lounges, Training Centers).

◆ Class 3. All vending machines located in the institution common areas for the primary use of the inmate population. This type of vending machine is located in housing units, recreation areas, work areas, UNICOR factories, etc.

The Program Statement on Employee Organizations establishes policy with respect to Class 1 and Class 2 vending machines.

Vending machines in the Class 3 category are provided for inmates by the Trust Fund operation in accordance with this Manual and the Program Statement on Accounting for the Trust Fund Inmate Debit Card Vending Program (if applicable).

3. DEBIT (COINLESS) VENDING MANDATE. The Bureau's Executive Staff approved the recommendation to remove all coins from institutions and to convert all inmate vending machines (snacks, drinks, copiers, etc.) to operate with the debit card system. Institutions which want to have vending programs shall move to establish or convert existing programs to the debit vending process no later than October 1, 1998.

The Trust Fund Branch shall assist in obtaining the necessary equipment and provide procedures to implement the program. A request for equipment and funding shall be sent from the Warden through the Regional Comptroller to the Chief, Trust Fund Branch.

4. VENDING OPERATIONS FOR INMATES. Vending machines may be placed in the institution for use by the inmate population at the Warden's discretion. The vending program need not be limited to food and beverage products, but may include services such as copying machines, washers and dryers, etc. Vending programs operated by the Trust Fund are for the benefit of the inmate population. The machines shall be located in convenient areas of the institution such as living units, recreation areas, designated work areas, etc. All vending operations shall be conducted using sound management practices, and have the necessary internal controls to ensure that all sales, commissions, or other forms of revenue are recognized by the Trust Fund and that waste, fraud, and abuse are minimized.

Vending operations may be managed as an internal institution function or through an external vendor under contract with the institution. The Trust Fund vending contract shall be separate from any contract for employees' club vending. The use of an outside contractor is preferred. See Paragraph 3 on the debit vending mandate.

5. RANDOLPH-SHEPPARD AND TRUST FUND VENDING OPERATIONS. The Bureau is required by law to give priority in the operation of vending machines on Bureau property to blind persons licensed by State Licensing Agencies (SLA) for the blind (Randolph-Sheppard Act, 20 U.S.C. §§ 107-107f (1982)). An SLA is a state vocational rehabilitation agency that has been designated by the Secretary of the U.S. Department of Education to issue licenses to blind persons for the operation of vending facilities on Federal property. SLAs have been designated in every state except Wyoming and Montana. A list of addresses and telephone numbers for SLAs in each state is included as Attachment G to the Program Statement on Employee Organizations.

The Controller at each Bureau institution having existing Class 3 machines shall ensure that appropriate consideration has been given to the SLA to provide vending services to inmates
* in conjunction with the Trust Fund operation. Documentation must be maintained regarding the contacts between the SLA and the institution relating to Trust Fund vending issues. *

If the SLA determines that the Class 3 inmate vending opportunities at the institution can support a blind vendor, a blind vendor, licensed by the SLA, shall have priority to operate the Class 3 inmate vending machines. This operation shall be in conjunction with the Trust Fund operation as further described in this Manual.

An agreement between the Bureau's Trust Fund operation and the SLA to provide Class 3 inmate vending services shall be separate from any agreement established by the institution for Class 1 and Class 2 services. An agreement between the Trust Fund and the SLA are considered an Interagency Agreement. See the BOP Acquisition Policy, subpart 17.5 for approval requirements.

The Controller and Trust Fund Supervisor shall ensure that the requirements for vending operations, as outlined in this Manual, are established as part of the vending operation agreement with the SLA. Generally, the SLA uses a permit rather than a contract to establish the vending operation between the government and the SLA. The Bureau's requirements shall be included in this permit or established as an addendum and this permit shall include, at a minimum, the requirements in Paragraph 2 of Chapter 4541 of this Manual. The Warden may approve and require debit card vending program requirements for his/her institution.

The Controller shall assist in the transition from any current agreement with a contract vendor to a new agreement with the SLA.

If the Trust Fund discontinues any existing vending arrangements, which may result in liability for the Trust Fund, the Controller or designee shall contact the Procurement and Property Branch in the Central Office for advice and assistance.

b. If an SLA licenses a blind vendor to operate the Class 3 inmate vending machines at a Bureau institution, the Trust Fund shall allow the SLA a reasonable profit. The Trust Fund shall also be allowed their normal profit. The income sharing provisions of the Randolph-Sheppard Act, as implemented by the Employee Organizations Program Statement, do not apply to Trust Fund (Class 3) inmate vending activities.

c. If the SLA determines that the institution's Class 3 vending opportunities will not support a blind vendor or the requirements of the Trust Fund cannot be met by a blind vendor, the Trust Fund may provide Class 3 vending services internally or through an outside vendor and retain all proceeds associated with the vending services.

d. The Controller shall ensure, where applicable, that payment is made to the SLA quarterly. Vending sales records related to the Trust Fund/SLA vending operation shall be maintained in detail to permit the required audits, operational reviews, and program reviews and to support payments effected. *

6. ITEMS OFFERED FOR SALE. Products typically offered for sale through snack or beverage vending machines are soda pop, chips, candy, pastries, etc. All items sold in vending machines shall be in compliance with Chapter 4522. Items prohibited for sale through the Commissary may not be offered in vending machines.

Institutions located in areas where State environmental protection regulations require a deposit on liquid containers (such as soft drink cans) may only use vending machines that dispense liquid into paper cups or must establish internal procedures to provide inmates the opportunity to obtain a refund on the containers.

* Special vending programs include offering services to the inmate population, copier machines, or washers and dryers. See Paragraph 3 for the debit vending mandate. *

* 7. COMMISSIONS FROM EMPLOYEE CLUB VENDING OPERATIONS. Employee Organizations operating vending machines in visiting rooms, in accordance with the Program Statement on Employee Organizations, shall provide the Trust Fund (15X8408) with 15 percent of the income from these machines. These payments shall be made to the* Trust Fund quarterly during the month following the last month of each quarter (January, April, July, October) as described in the Program Statement on Accounting for Employee Organizations Vending Machine Profits to Trust Fund.

The Trust Fund Supervisor shall review Employee Organizations' payments to help ensure the Trust Fund can timely record and receive the appropriate income.

Chapter 4541 - Operation of Vending Programs

1. PURPOSE AND SCOPE. This Chapter describes operating procedures and internal controls for vending programs.

2. EXTERNALLY (OUTSIDE CONTRACTOR) OPERATED VENDING PROGRAMS

a. Contract for Vending Operations. When an institution chooses to conduct vending sales through an outside contractor, the institution shall comply in all respects with Federal Acquisition Regulations (FAR) and regulations in this Manual. The Trust Fund Supervisor shall serve as the Contract Monitor. A sample contract is available from the Regional Office for vending operations and shall be used as a guide to help ensure all contractual and policy requirements are included. The statement of work in the contract shall contain, at a minimum:

Percentage of profits or commission to be received on each different product category (soda, chips, candy, pastries, etc.). Note: The percentage of profit or commission received from any product category should generally not be less than 15 percent of the vended selling price.

The price of each major product category (soda, chips, candy, pastries, etc.).

Location of the vending machines and the products vended through the machines.

Procedures for installing, servicing, and supplying the vending machines.

Description of the process for submitting reports and initiating payment for the product or receipt of the commissions.

Procedures for audit of machine sales to ensure that the correct percentage of profits is received.

Language that relieves the Government for any liability arising from any product sold through the vending machines or damage, loss, or destruction of machines.

Specifications for the vending equipment - especially if the contract requests bids for coinless vending operations.

Security and escort requirements.

b. Storage Space for Vending Merchandise. Due to the limited space in the institution environment, storage space for products supplied by vendors to support vending machine sales should be granted under special circumstances only and approved by the Associate Warden - Operations.

c. Verification of Sales, Commissions, and Costs. The Trust Fund Supervisor shall ensure that the Trust Fund receives the appropriate revenue for the operation of the external vending machine program. Procedures and staff verification responsibilities shall be established to ensure the institution maintains records regarding the sale of merchandise and commissions received for vending operations.

Attachments A-C may be used to assist in the audit of machine sales and commissions as required here and in Paragraph 2.a. above.

If counters, tracking the number of items vended, are available on the machines (most machines have counters), the ending number shall be recorded on a sales log (for example, see Attachment C) to be compared with the next period's beginning number. By multiplying the difference between the beginning and ending counter numbers by the sales price, a close approximation of the amount of coins that should be in each machine can be measured.

d. Security Requirements. Vendors servicing the vending machines within the institution are subject to the security requirements of the institution. To prevent inmates from unplugging or disabling the machines, they should be installed, if possible, using a direct-wire electric power supply. If necessary, the machines may be enclosed so that only access to the control panel and vending chute is possible.

* e. Debit Card Vending Issues. Institutions desiring to incorporate debit card vending into the Trust Fund Program shall submit the written approval of the institution Warden and the concurrence of the Regional Director to the Chief, Trust Fund Branch. Trust Fund Branch staff will assist in obtaining the necessary equipment and provide procedures for implementing the program. *

3. INTERNALLY OPERATED VENDING PROGRAMS. If an institution chooses to conduct the vending program without the assistance of an outside vendor, responsibility for vending resides with the Trust Fund Supervisor. If internal vending is chosen, good management practices shall be followed at every stage to ensure the Trust Fund receives all revenues from the machines.

Machines shall be adequately maintained and replenished by Warehouse staff during regular duty hours. If the sales volume requires additional stocking during weekends and holidays, the overtime required shall be offered to Warehouse staff on a quarterly rotation basis.

The machines shall be stocked from inventory separate from the regular Commissary inventory, and each item sold shall be accounted for as a separate item of inventory in FPPOS.

Specifically, items held for sale for vending purposes shall have a separate identity and be assigned different item numbers in FPPOS from identical items sold through the Commissary.

Markup on items sold through vending machines shall be 20 percent of the sales price (divide the cost by .8 and round to the next highest nickel for the vending machine sales price).

A log shall be kept showing dates and amounts of coins removed from the machines (example provided as Attachment D). In all instances where coins are taken from the vending machines for counting and deposit, two persons shall be present to verify the amount removed and shall initial the sales log as to the amount of coins removed and counted.

PS 4500.04
CN-04, 11/24/97
Chapter 4541, Attachment B, Page 1

VENDOR: _____

[illegible]

P.S. 4500.04
December 15, 1995
Chapter 4541, Attachment C, Page 1

DATE : _____

[illegible]

P.S. 4500.04
December 15, 1995
Chapter 4541, Attachment D, Page 1

VENDOR: _____

Vending Machine Location	Product Vended	Dollar Amt Removed	Employee #1 Initials	Employee #2 Initials	Sub-Object 2675 Amount Deposited

[illegible]

Chapter 4542 - Vending Operations for Services to Inmates

1. PURPOSE AND SCOPE. This Chapter outlines procedures for vending programs that relate to the delivery of services to inmates.

2. ESTABLISHING A VENDING SERVICE OPERATION. Providing vending services for inmate use of copiers or washers and dryers or other types of services may be allowed under the Trust Fund operation. However, prior to initiating a vending operation, the institution shall forward a request through the Regional Comptroller to the Chief, Trust Fund Branch for approval. The request shall analyze the costs and projected revenues from the vending operation, including:

- ◆ Costs associated with providing the service (e.g., copy machine, washer/dryer combinations) over a 1-year period.
- ◆ Price of equipment (annual rental/lease or purchase price).
- ◆ Annual cost of maintenance of equipment.
- ◆ Repairs not covered by maintenance.
- ◆ Paper and supplies for copiers.
- ◆ Soap and fabric softener for washers/dryers, if applicable.
- ◆ Expected revenue to be generated from the operation over a one-year period. This would include the price charged the inmate per item (per copy, per wash load) and the expected usage over one year.

Vending services shall be operated to provide the Trust Fund a mark-up of 20 percent of cost for internally operated programs and include a commission of approximately 15 percent if operated as an external vending program.

3. YEARLY EVALUATION OF VENDING SERVICE OPERATION. When requesting annual operating funds for costs associated with a vending service operation, the Trust Fund Supervisor shall review the last year's operation to determine whether an adjustment in price is necessary to maintain a viable operation.

4. CONTROLS ON SERVICE VENDING OPERATIONS. The same internal controls established for managing other vending operations at the institution shall be maintained for service vending operations, where applicable.

Chapter 4543 - Institution Supplement on Vending Operations

1. PURPOSE AND SCOPE. This Chapter outlines requirements for an Institution Supplement covering vending machine operations.

2. INSTITUTION SUPPLEMENT. Prior to initiating any vending machine operations, an Institution Supplement detailing local regulations and the systems of internal control shall be developed. The following topics shall be detailed in the Institution Supplement, where applicable to specific vending operations:

The person(s) and position(s) responsible for the Trust Fund vending operation.

Method of operation (e.g., outside contractor or internal operation).

Generic list of products to be sold.

Location of machines (i.e., Unit 4) and type of product vended.

Refund policy to users.

Method(s) of separation of duties between the vendor and institution personnel to ensure the amounts due to the Trust Fund are received, verified, and recorded.

Internal controls established for accountability of amounts removed from the machines (e.g., verification and confirmation of coins removed).

* # Method and hours for coin sales to inmates, if applicable (e.g., the coin or debit card vending transaction should be the first transaction of an inmate's purchase).

Procedures for refunding debit card vending amounts. *

Arrangements for vendor escorts, if applicable.

Sanctions to be imposed for the willful and malicious damage of vending machines or for attempts to obtain products without paying.

Method of determining the percentage of markup for internal operations or procedures for processing sales receipts and paying costs or commissions for external operations.

For institutions providing copying machines, washers, dryers, etc., general procedures regarding the operation.

Chapter 4544 - Inmate Photography Program

1. PURPOSE AND SCOPE. This chapter provides guidance on establishing and conducting an Inmate Photography (Photo) Program as part of the institution Trust Fund operation.

* 2. BACKGROUND. In the past, as a part of fund raising, many Inmate Organizations in the Bureau conducted the Inmate Photo Program. Effective April 20, 1996, Inmate Organizations were no longer permitted to engage in fund raising activities. If the Warden chooses to continue an Inmate Photo Program, this program must be funded through the Trust Fund operation and operated as described below as a debit card vending operation or the photo * ticket operation.

* a. Inmate Photo Program Using the Debit Card. To ensure adequate internal controls and operating efficiency, the Trust Fund is establishing an Inmate Photo Program using a debit card operation. Under this program, inmates may purchase vending debits using their Inmate Account Card. Inmates may then use these debits to obtain an inmate photo voucher by inserting the card into the inmate photo voucher machine located in an * approved location. Each photo voucher allows inmates to have one photo taken by the photographer. The inmate photo voucher machine will maintain the sales history detail on inmate photos for Trust Fund accounting records. The procedures in Sections 3, 4, 5.a, 6, 7, 8, 9, and 10 of this chapter apply to the operation of an Inmate Photo Program through the Trust Fund operation using the debit card vending process.

b. Inmate Photo Program Using a Photo Ticket. An institution may operate an inmate photo program using a photo ticket purchased by an inmate at the Commissary. Each ticket allows inmates to have one photo taken by the photographer. The procedures in Sections 3, 4.b-4.d, 5.b, 6, 7, 8, 9, and 11 of this chapter apply to the operation of an Inmate Photo Program using a photo ticket.

3. RESPONSIBILITIES. The financial aspects of the program shall be managed by the Trust Fund (i.e., purchase of film and equipment, payment for processing, accounting for sales). Another department within the institution, such as Recreation, may supervise and conduct the activities related to the taking of inmate photos (i.e., oversight of the inmate taking pictures) if applicable.

4. EQUIPMENT/SUPPLIES FOR THE PHOTO PROGRAM

a. Debit Card Vending Equipment. If the Warden elects to conduct an Inmate Photo Program using the debit card, a request

for the debit card equipment necessary to operate the program must be forwarded through the Regional Comptroller to the Chief, Trust Fund Branch. Central Office Trust Fund staff will assist in the identification of the needed equipment.

Each institution is to determine the location(s) of the inmate photo voucher machine(s). The placement of the machines shall be in a secure area which can be observed by institution staff. One machine per institution is recommended and one for any additional satellite facility (i.e., camp, WITSEC Unit) where photos may be taken.

- * b. Camera Equipment. Cameras may be purchased by the Trust Fund. A request for funds to purchase cameras should be sent * through the Regional Comptroller to the Chief, Trust Fund Branch.

In consideration of the policy on Inmate Personal Property which requires the phase-out of inmates possessing Polaroid photographs, the Inmate Photo Program will be operated using 35 mm cameras only. Only a standard size (i.e., 3 inch x 5 inch) photo shall be offered. No reprints or enlargements of photos shall be processed. Duplicate prints may be offered if there is no increase in the cost.

Maintenance and/or replacement of the photo project equipment is the Trust Fund Supervisor's responsibility. The Trust Fund Supervisor shall take the necessary steps to have the equipment repaired and/or replaced.

- c. Supplies and Film Processing. The cost of film, paper for the debit card machines or tickets as applicable, film processing, and associated supply needs will be charged as a Trust Fund expense.

d. Control of Photo Supplies Inventory and Property. Internal controls shall be established to maintain accountability of film and to control the process from issue of film to distribution of photos. These controls include such things as allocation of film based on a one to one exchange of redeemed photo vouchers, a log for issue of film, daily work logs (showing exposure number, inmate name, and register number) with supporting photo vouchers, locked storage of film and supplies, distribution procedures which acknowledge inmate receipt of finished photo, etc.

5. STANDARD PRICE FOR THE INMATE PHOTOGRAPH

- a. Photo Voucher Machine. The standard price of an inmate photo using the debit vending photo voucher shall be \$1.00. The use of a standard price eliminates the resource and management problem associated with the constant fluctuation in the various costs associated with providing this service to inmates and establishes consistency for the Inmate Debit Card Photo Program Bureau-wide.

This selling price will be established in the inmate photo voucher machine, and \$1.00 will be deducted from the vending amount encoded on an inmate's account card.

b. Photo Ticket as a Commissary Sales Item. Photo tickets are purchased from a vendor and a Receiving Report prepared for the tickets; the cost of the tickets will be an Inmate Photo Program expense (See Section 9). The number of tickets received shall be entered into the FPPOS System as a "tracked" inventory item with a cost price of \$0.00 (see paragraph below for ticket selling price). The Receiving Report for photo tickets will also be used to make the accounting entry to record tickets in FMS at selling price (See Section 9.c).

The selling price of an inmate photo using a Commissary purchased photo ticket shall be determined locally. Trust Fund staff shall establish the selling price by calculating the estimated unit costs associated with a photo and marking up this unit cost per Chapter 4523, Section 3 of this Manual. This shall remain the selling price in FPPOS until there is a significant change in underlying costs. If a significant change occurs in costs of the inmate photo, the selling price shall be adjusted accordingly. The costs to be included in calculating the unit cost of a photo are film, film processing, inmate photographer pay, cost of tickets, and any other appropriate supply or processing costs.

The sale of a photo ticket is final; inmates may not claim a refund for photo tickets. The color of photo tickets shall be periodically changed to avoid duplication and excess accumulation of tickets. Tickets shall not be transferred from one institution to another. Photo tickets shall be maintained in a secure location and inventoried during the regular Commissary inventory process. Used photo tickets shall be marked or mutilated in a manner sufficient to avoid reuse. *

6. INMATE PHOTOGRAPHER. If an institution elects to employ an inmate photographer, he or she may be paid from the Trust Fund Appropriation. The institution staff member responsible for oversight of the inmate worker shall be established in an Institution Supplement. When the inmate photographer is paid from the Trust Fund Appropriation, documentation for the monthly payroll for the inmate photographer shall be submitted to the Trust Fund Supervisor for processing.

The inmate photographer shall be issued the camera, film, and daily log sheets showing the number of exposures issued. The inmate photographer shall be responsible for returning the camera, film, completed log sheets, and photo vouchers or tickets as described below.

7. INMATE PHOTOGRAPHS

a. Purchase of Vending Debits or Photo Tickets. Inmates shall purchase from the Commissary a photo ticket or a debit amount for use in vending transactions. The vending debits shall be encoded on the Inmate Account Card. The vending debits on the Inmate Account Card may be used for obtaining a photo voucher or for other vending privileges offered at the institution (i.e., snack and beverage vending, copy machines). The photo ticket may only be used to obtain a photograph.

b. Inmate Photograph Procedures. Inmates shall insert the Inmate Account Card containing a vending debit amount into the inmate photo voucher machine. The machine will automatically deduct \$1.00 from the total vending debit amount on the Inmate Account Card and provide one photo voucher allowing one picture to be taken.

Note: Photo vouchers or tickets shall not be used as "tender" to purchase such items as popcorn, ice cream, etc.

Inmates shall present a signed photo ticket or a signed photo voucher to the photographer in exchange for having a 35 mm photograph taken. The photographer shall accept the ticket or photo voucher and have the inmate sign the log with name and register number next to the exposure number of the picture to be taken. The log shall be used to distribute pictures and acknowledge receipt.

After a photo session, the photographer will return to the staff supervisor the logs, unused film and signed tickets, signed photo vouchers or retake vouchers for the number of pictures taken (e.g., 36 photo vouchers or tickets to match 36 exposures).

Institution staff shall review the log and reconcile the exposed film to the number of tickets or photo vouchers provided to ensure extra pictures have not been taken. (Example: If 4 rolls of 24 exposures have been issued to the photographer and 32 tickets or photo vouchers are turned in, then 64 exposures should remain). Any discrepancy between the number of tickets or photo vouchers turned in and the number of exposures remaining shall be resolved prior to any additional exposures being issued. Used photo vouchers shall be marked or mutilated in a manner sufficient to avoid reuse.

*

*

Institution staff shall establish procedures for reviewing and distributing inmate photographs and issuing retake vouchers. Staff will decide whether or not a photo should be retaken. When a photo "retake" is authorized, staff will provide the inmate with a "retake voucher" which shall contain the inmate's name, register number, and staff member's signature. The original picture from the first take shall be destroyed.

8. INSTITUTION SUPPLEMENT. An Institution Supplement shall be prepared to outline the local operating procedures for the Inmate Photo Program. The Institution Supplement must, at a minimum, address each of the following issues:

◆ The times and places that inmate photos will be taken.

◆ Restrictions on use of vouchers.

◆ A policy to be followed for picture "retakes".

◆ A policy to be followed for group pictures.

◆ Other local needs such as limits on the number of photo tickets or vouchers in possession and appropriateness of pictures/clothing.

* ◆ Process to be followed to mark used photo tickets/vouchers to avoid any potential reuse of tickets/vouchers. *

◆ Process and staff responsible for:

(a) Ordering film

(b) Processing film

(c) Receiving or picking up developed film

(d) Reviewing and distributing photos to inmates

(e) Security and inventory of film and tickets (if applicable)

(f) Photography equipment (cameras, tripods, etc.)

(g) Disposition of used photo vouchers or tickets

(h) Supervision of inmate photographers

(i) Reconciliation of film exposures and photo vouchers or tickets (if applicable)

(j) Collection of sales data from photo voucher machines (if applicable)

9. ACCOUNTING FOR EXPENSES OF THE INMATE PHOTO PROGRAM

a. Recording the Inmate Photo Program Equipment. Equipment purchased for the Inmate Photo Program shall be accounted for in accordance with the Accounting Management Manual. Camera and other minor equipment shall be coded to sub-object 3107.

b. Recording Other Costs of the Photo Program. All other costs associated with the Inmate Photo Program, photo tickets (if applicable), film, film processing, and other photo supplies, shall be charged to sub-object 2664 (Cost of Photo Services).

(1) Recording Accounts Payable (Cost of Photo Program). Accounting staff shall make the following accounting entry to record the accounts payable for photo tickets (if applicable), film, film processing, and any other photo supplies associated with the inmate photo project:

02 Transaction: X4 1 323 536 CMS 2664 (Accts Payable Column)

This entry will generate automatic entries to the following General Ledger Accounts:

	<u>Debit</u>	<u>Credit</u>
Costs - Photo Program	812.7	
Accounts Payable - Public		420.1
Unobligated Balance	652.0	
Accrued Expenditures		653.0

(2) Recording Vendor Payment (Cost of Photo Program).
Using the Treasury Payment Module, Accounting staff shall use the following accounting code to record the vendor payment. In conjunction with recording the vendor payment.

36 Transaction: X4 1 323 536 CMS 2664 (Expenditure Column)

This entry will generate automatic entries to the following General Ledger Accounts:

	<u>Debit</u>	<u>Credit</u>
Costs - Photo Program	812.7	
Net Disbursements		110.4
Unobligated Balance	652.0	
Accrued Expenditures		653.0

The appropriate accounts payable should be liquidated simultaneously.

c. Recording the Purchase of Photo Tickets at Selling Price in FMS. Accounting staff shall make the following accounting entry to record the photo tickets (if applicable) at selling price. Backup documentation shall be the Receiving Report created when rolls of tickets are received.

40 Transaction: X4 1 323 536 CMS 2676 G5 099

This entry will generate automatic entries to the following General Ledger Accounts:

	<u>Debit</u>	<u>Credit</u>
Inventory At Selling Price	961.0	
Purchased Items - Selling Price		962.0

10. ACCOUNTING FOR SALES OF THE INMATE PHOTO PROGRAM USING DEBIT CARD VENDING. The accounting entries for recording sales of the Inmate Photo Program when the debit card vending program is used are found in the Program Statement on Accounting for the Inmate Debit Card Vending Machine Program. Entries to record payments to a vendor or commissions are generally not applicable for the Inmate Photo Program using the debit card.

Chapter 4550 - Inmate Telephone System - General

1. PURPOSE AND SCOPE. This Chapter provides an overview of the Trust Fund Inmate Telephone System (ITS) and describes the controls and procedures applicable to system operations.

The Bureau provides a Trust Fund telephone system for inmates to supplement written correspondence to maintain family and community ties.

The procedures in Chapters 4550 through 4557 on the ITS apply to those institutions referenced in Attachments B and C of the Program Statement on Telephone Regulations for Inmates and to any new institutions activating an Inmate Telephone System.

All computer functions conducted on the ITS computer system must be performed in accordance with ITS computer operations manuals.

2. PRIVILEGE OF INMATES. The Trust Fund ITS program is designed primarily for the benefit of inmates. The use of the ITS, however, is a privilege granted to inmates. The Warden, or authorized representative, may limit or deny ITS privileges to any inmate in accordance with the Program Statements on Telephone Regulations for Inmates and Inmate Discipline and Special Housing Units.

* To ensure the continued financial integrity of the Trust Fund and for purposes of institution security, inmates must place all personal telephone calls over the Trust Fund's ITS and must not circumvent the ITS via call forwarding including automatic electronic forwarding or any other type. *

3. RESPONSIBILITY. The following individuals have primary management oversight responsibilities for the ITS operations.

◆ Trust Fund Inmate Telephone System Coordinator. The Chief, Trust Fund Branch is designated the ITS Coordinator for the Bureau. The ITS Coordinator is the resource person for all Bureau staff, other components of the Department of Justice, law enforcement agencies, and the general public.

◆ Controller. The Controller is delegated responsibility for overall operation of the ITS at the institution. The Controller shall monitor ITS operations and maintain accurate ITS information.

◆ Trust Fund Supervisor. The Trust Fund Supervisor is designated ITS system supervisor and shall maintain internal controls, system integrity, passwords, and all other aspects related to ITS program security and operations.

4. INSTITUTION SUPPLEMENT. Each institution shall develop or include in an Institution Supplement the local procedures necessary to operate the ITS. In addition to requirements outlined in the Program Statement on Telephone Regulations for Inmates, the supplement shall include institution-specific procedures related to:

- ◆ ITS Credit Sales Procedures.
- ◆ Credit Sales During Commissary Restriction.
- ◆ Release Procedures.

5. STAFF USE OF ITS. The ITS shall not be used by staff members for making official or personal calls. The Trust Fund Supervisor may make telephone calls on the ITS as outlined in Chapter 4555, Paragraph 2.j for system testing.

Chapter 4551 - Security - Inmate Telephone System

1. PURPOSE AND SCOPE. This Chapter details guidelines for maintaining the security of the ITS and ensuring computer data is not inappropriately manipulated.

2. SECURITY. Diligence in maintaining a secure environment for the system and ensuring that data files are protected is essential to the efficient operation of the system. The following minimum guidelines shall be followed:

a. ITS Data Security. Routine backups of ITS data are necessary to maintain data security.

Routine Backups. Backups of data files shall be done once daily (excluding weekends and holidays). Five backup tapes will be required, labeled Monday-Friday. Tapes shall be stored in a fire-resistant compartment in a secure room and readily accessible to ITS staff at all times.

* # Quarterly Backups. Two backups of the entire database shall be completed quarterly and labeled Quarterly Backup Tape Number 1 and Quarterly Backup Tape Number 2.

Quarterly Backup Tape Number 1 shall be stored in a fire-resistant compartment in a separate secure location from the ITS computer equipment and separately from the daily backup tapes. These quarterly backup tapes shall be retained for six years.

Quarterly Backup Tape Number 2 shall be stored in a fire resistant compartment in a secure room and readily accessible to ITS staff at all times. These backup tapes may be reused. *

b. ITS Physical Security. The computer systems and telecommunications hardware in the ITS room shall be secured to prevent tampering with data and misuse of equipment.

Keys. Keys to the ITS room shall be issued on a restricted basis. The issue of ITS room keys to any staff member, other than employees assigned to the ITS room, shall require completion of a "Restricted Key Form."

Software/Hardware. Additional software programs or hardware may not be operated on the ITS without approval of the Chief, Trust Fund Branch. Computer hardware for the ITS must be secured when not in use. Logout procedures must be followed when the system is unattended. Problems with hardware or software shall be immediately documented and reported as outlined in Chapter 4556.

Staff Access. Only authorized staff shall have direct access to the ITS. To access the system, staff must be assigned as users. Each user shall choose a password. Passwords shall be changed at least every six months and as the need arises (change of staff, security of system is compromised, etc.).

Inmate Access. Inmates are prohibited from operating any ITS computer equipment or handling documents related to the ITS for any reason except where expressly authorized in this Program Statement or other Bureau policy.

Chapter 4552 - Telephone Services Required

1. PURPOSE AND SCOPE. This Chapter outlines the types of telephone services required for operating the ITS and the arrangements for payment of telephone service costs.

2. TELEPHONE SERVICES. The types of services required and the arrangements for payment are provided below. All telephone services ordered for the ITS shall be coordinated through the Central Office Trust Fund Branch ITS Section. Failure to do so may compromise the security and integrity of the ITS.

a. Local Service. Telephone services for local lines are ordered by local Trust Fund staff with the guidance of the Central Office Trust Fund Branch. Funds are supplied in the annual ITS budget to cover the costs of local service. Monthly accruals shall be made for anticipated expenditures for local service costs.

b. Domestic Long Distance Service. Central Office Trust Fund Branch staff, after discussion with institution staff, shall order lines for domestic long distance service through the Department of Justice. Service is provided through the FTS2000 contract. Trust Fund Branch staff shall manage all accruals and payments for FTS2000 services; no funds are distributed in the annual regional/institution budget. Information on the costs of FTS2000 services is maintained for each institution to facilitate the development of accurate ITS profit and loss statements.

c. International Service. In most cases, international telephone service shall be provided under a national contract. Trust Fund Branch staff, in concert with institution staff, shall order international service through this contract and shall manage all accruals and payments. If it is necessary, in some unique situations, to procure international service at the local level, funds will be provided in the budget for this purpose.

d. Requests for Changes in Service. Requests for changes in the number of telephone lines shall be forwarded from the Warden, through the Regional Comptroller, to the Chief, Trust Fund Branch for approval.

e. Monitoring of Telephone Services. Upon receipt of the monthly telephone invoices (local service) and call detail listings (local and international), the Trust Fund Supervisor shall review the records and compare usage information from the carrier with usage information obtained from the ITS reports. Any significant discrepancies shall be reported immediately to Central Office Trust Fund Branch staff. The following information shall be reviewed:

‣ Local Calling Service. The number of calls and the total minutes of usage shall be compared between the ITS records and the available local bills. The local billing should not include charges for long distance or international calls.

‣ International Calling Service. The number of calls and the total minutes of usage shall be compared between the bills and the ITS records.

‣ Domestic Long Distance Calling Service. The call detail is currently available for review only at the Central Office Trust Fund Branch.

Chapter 4553 - Procurement of ITS Equipment and Supplies

1. PURPOSE AND SCOPE. This Chapter details the process for procuring and accounting for equipment and supplies related to the ITS.

2. PROCUREMENT OF EQUIPMENT, SUPPLIES. The processes for procuring and accounting for equipment and supplies are detailed below.

a. Lease or Purchase of ITS Equipment and Associated Maintenance. Central Office Trust Fund Branch staff shall manage procurement of ITS equipment and associated maintenance, as well as all accruals and payments. Trust Fund Branch staff shall determine equipment needs in concert with institution staff and vendor representatives. The equipment is procured annually for each institution through a national contract. Equipment may be leased or purchased.

Maintenance, called Principal Period of Maintenance (PPM), is also procured for most equipment, allowing for the rapid response to equipment/software problems as outlined in Chapter 4556.

b. Capitalization of the ITS System. Following implementation of the ITS at the institution, the Controller and Trust Fund Supervisor shall receive a consolidated listing of equipment identified as ITS. The Trust Fund Branch staff shall provide a capitalization value for the ITS and procedures for properly recording the value of the system in the SENTRY Property Management System (SPMS) to ensure annual calculation of depreciation costs. Minor additions to the system after the major implementation will be expensed and no changes made to the ITS capitalization value. Accounting entries related to capitalization of the ITS are found in the Program Statement on Accounting for the Trust Fund Inmate Telephone System.

c. Operating Supplies. Funds are provided in the annual ITS budget to purchase supplies, such as backup tapes, paper, and other office supplies. Procedures for procuring these items are found in Chapter 4506.

d. Personal Property. Requests for purchase of personal property related to but not a part of the ITS system (i.e., file cabinets, typewriters) shall follow the procedures outlined in Chapter 4507.

e. Supplemental ITS Equipment. Requests for additional equipment for operating the ITS shall be forwarded from the Warden through the Regional Comptroller to the Chief, Trust Fund Branch for approval and processing.

Chapter 4554 - Inmate Telephone System Rates

1. PURPOSE AND SCOPE. This Chapter outlines the rate structure applied to ITS calls placed by inmates.

2. COST OF CALLS UNDER THE ITS. ITS telephone costs to inmates shall be established to encourage financial responsibility and to ensure the ITS program remains financially solvent. The Chief, Trust Fund Branch with the concurrence of the Executive Staff, shall establish telephone costs. The Chief, Trust Fund Branch shall review costs periodically. The Executive Staff shall approve any significant modifications (other than those required by routine cost variances).

* a. Debit Rates For Local, Long Distance, and International Calls. Telephone rates for long distance and international telephone calls shall be based upon the AT&T Vertical & Horizontal coordinates.

Local debit calls shall be set at standard cost per call (generally \$.50), except in cases where the Government is assessed per-minute or distance-sensitive charges for local service. In that case, the Chief, Trust Fund Branch shall establish the local rate for that institution.

b. Rates for Collect Calls. Collect rates are the service provider's responsibility. Collect rates may be obtained by the billed party by contacting the service provider.

c. Information Concerning Rates for Inmate Calls. Each Warden is to ensure that information concerning the debit rates of telephone calls for inmates is maintained on file in the institution (e.g., law library, inmate library, unit). *

Chapter 4555 - Inmate Telephone System Sales Operations

1. PURPOSE AND SCOPE. This Chapter details procedures for maintenance and operations of the ITS.

2. ITS SALES OPERATIONS

a. Inmate Telephone System Credits. ITS credits shall be sold in whole dollar amounts **only** in the Commissary Sales Unit and transferred to the inmates' ITS accounts by noon the next working day. Negative credit sales may be performed by the Commissary sales worker **ONLY** for administrative errors, and **ONLY** during the same sales period. ITS credits shall not be credited back to the inmate's Commissary account except in the case of the following:

- ◆ Administrative error made by staff.
- ◆ Release/transfer from the institution.
- ◆ An inmate on telephone restriction for more than 10 days requests in writing that his or her ITS credits be returned to his FPPOS account. This is a one time transaction for the entire balance of his or her ITS account.

b. ITS Account Maintenance. Using the SENTRY Log, an ITS account shall be created for each inmate upon arrival at the institution, no later than the first full working day after the inmate arrives. An exception may be made at the Warden's discretion at institutions housing hold-over or pre-trial inmates.

When the "RELS" transaction type is used, the inmate's ITS account will automatically be marked for deletion and converted to "Z" status after ITS credits have been deducted for an inmate's release or transfer. The system automatically deletes accounts marked for deletion as disk space is required and when all call records for the marked accounts have been purged. Access to information purged from the system shall be obtained through backup tapes. The Central Office Trust Fund Branch ITS Section staff shall be contacted for assistance in researching information on backup tapes.

The Trust Fund Supervisor shall review the Individual Inmate Balance Report daily for any negative balances. Any negative balances shall be reported to Central Office ITS staff so that

action may be taken to ascertain the cause and identify the corrective action.

An active account verification, conducted by comparing a SENTRY roster with the Status Report from ITS, shall be conducted quarterly. Any accounts found active within the ITS, for inmates not listed on the SENTRY Roster, shall be researched and appropriate action taken. All supporting documentation shall be retained in the monthly six part folder.

At least quarterly, an Inmate Telephone Account Balance Report for "Z" status accounts shall be reviewed to assure no account with "Z" status contains funds. Any funds found on a "Z" status account shall be researched and appropriate action taken.

c. Processing Inmate Releases/Transfers. Local procedures shall be established to ensure, to the maximum extent possible, that inmates' ITS credits are transferred to their Commissary accounts prior to release or transfer in accordance with the Accounting Management Manual.

d. Phone Access Code (PAC). Each inmate shall be provided a unique nine-digit Phone Access Code (PAC) number for access to his/her ITS account and instructions on the use of the telephones. The PAC is automatically generated when an ITS account is created.

* ITS staff shall enclose the PAC in a sealed envelope or fold and staple the PAC form with only the inmate's name and register number visible. The PAC must be delivered to the inmate in a * manner that ensures confidentiality. Staff shall advise the inmate that the PAC is confidential and should not be shared with other inmates, and that he/she shall immediately report a compromised PAC to a unit staff member, who shall contact the Trust Fund Supervisor. ITS staff shall immediately restrict ITS access for the affected account.

Staff shall inform inmates that a fee of \$5.00 will be charged when, due to the inmate's negligence, a replacement PAC is required. A Request for Withdrawal of Inmate's Personal Funds (BP-199) shall be used for this purpose.

e. Inmate Access to ITS Account Information. Commissary receipts identifying ITS credit purchases are provided to inmates at the time of purchase. Inmates are responsible for tracking their ITS account balances and may enter "118" after each call has been completed to listen to a voice message indicating the cost of the last completed call and the current account balance.

The guidelines under which an inmate may request a written report for his telephone calls and telephone credit purchases are found in the Program Statement on Telephone Regulations for Inmates.

Financial Management Staff shall process the completed BP-199, Request for Withdrawal of Inmate's Personal Funds for the \$3.00 charge for the account statement as outlined in the Accounting

Management Manual. The BP-199 request must include the specific 30 day period for which the telephone account record is requested.

Financial Management staff (FPPOS Accounting Technician) shall provide a processed BP-199 to the ITS Technician. The ITS Technician shall prepare the account statement, place it in a sealed envelope and deliver the statement to the inmate through delivery to the unit or via institution mail.

If Bureau staff determine an inmate's request for recredit of a telephone charge is appropriate, the ITS Technician shall credit the inmate's ITS account for the amount of the recredit and file appropriate refund information in the six part file. If the inmate is due a refund of the \$3.00 charge for an account statement, the ITS technician shall notify the FPPOS Accounting Technician in the Business Office in writing of the need for a refund of the charge to the inmate's Commissary account. The FPPOS Accounting Technician shall promptly recredit the inmate's account for the refund.

Financial Management staff shall record the fee for an inmate's request for account statement in the same manner as recording the fee for a replacement Phone Access Code (PAC). These accounting transactions are found in the Program Statement on Accounting for the Trust Fund Inmate Telephone System.

f. Inmate Telephone Numbers

(1) Initial Telephone Number List. Procedures and other information related to the submission of telephone numbers for use on the ITS are found in the Program Statement on Telephone Regulations for Inmates. Unit staff shall deliver the approved Telephone Number Request form(s) to the Financial Management Office in a manner that ensures the form(s) cannot be altered by an inmate.

Note: Staff shall be sensitive to the fact that information on the Telephone Number List is governed by the provisions of the Privacy Act and the Freedom of Information Act.

Initial telephone numbers shall be entered into the inmates' accounts ordinarily within two working days after receipt by Financial Management staff. The number of telephone numbers ordinarily shall not exceed 30 active numbers (excluding denied/blocked numbers) except as approved by the Associate * Warden under the provisions in the Program Statement on Telephone Regulations for Inmates. *

(2) Telephone Number Updates. Inmates shall use the Telephone Number Request form (BP-S505.052) to request an update to their telephone lists. The frequency of updates and process for submission are described in the Program Statement on

Telephone Regulations for Inmates. Unit staff and Trust Fund staff shall establish procedures which ensure meeting the 5-day processing requirement.

Trust Fund staff shall date stamp all incoming Telephone Number Request forms with the date of receipt and initial and date the Telephone Number Request form upon completion of the changes in the inmate's record in the ITS.

- * (3) Requests for Removal (Denial) of Telephone Numbers
Written requests from the Associate Warden or a proposed recipient of an inmate call for removal (denial) of a telephone number as outlined in the Program Statement on Telephone Regulations for Inmates shall be processed ordinarily within one working day after receipt. At that time, the number shall only be marked "D" denied, not deleted, from the inmate's number listing. When a number is removed from usage (denied) at the recipient's request, that number may be placed back on the inmate's list (reactivated) only upon the recipient's written request for reinstatement. *

The Trust Fund Supervisor shall maintain a permanent file of all written requests for denial or removal of a telephone number from an inmate's list, as indicated in Chapter 4557, Paragraph 2.e.

Note: Staff shall be sensitive to the fact that information in the above referenced file is governed by the provisions of the Privacy Act and the Freedom of Information Act.

g. Telephone Call Restrictions. The Warden shall set the maximum length of all telephone calls (ordinarily 15 minutes), per local conditions. Calls are automatically disconnected due to insufficient ITS credits or the expiration of the call time limit. A warning tone sounds approximately one minute before a call is disconnected.

ITS debit calls shall not be permitted if the inmate does not have adequate credits in his/her ITS account to place at least a three-minute call.

Hours of ITS operation shall be determined locally; however, the ITS must be shut down between midnight and 1:00 a.m. local time for system maintenance.

Restricting inmate access to the ITS shall only be done upon written notice from staff, as appropriate; e.g., the Associate Warden to block specific numbers; the Disciplinary Hearing Officer or Unit Discipline Committee to enforce specific disciplinary sanctions.

h. Collect Calls. Institution Trust Fund staff shall ensure collect calls are processed through the ITS as prescribed in the Program Statement on Telephone Regulations for Inmates. Central Office Trust Fund Branch staff shall configure each ITS to meet the requirements of that Program Statement.

i. ITS Refunds. Institution staff may process minor refunds with the approval of the Trust Fund Supervisor for:

- # new or revised area codes.
- # new or revised local exchanges.
- # faulty signals from foreign countries resulting in international calls being charged but not connected.
- # telephone service problems that have the actual effect of interfering with communication.

Central Office Trust Fund Branch ITS staff shall be advised via telephone of the issuance of these minor refunds in order that any potential corrective action related to the system or service can be addressed.

If staff determine that a refund may be appropriate due to unusual and extenuating circumstances, a request shall be processed from the Controller through the Regional Comptroller to the Chief, Trust Fund Branch for review and approval. The request must include documentation of the situation and the research conducted to reach the conclusion that a refund is appropriate.

* j. ITS "Test" Account. "Test" accounts may be established to enable ITS staff to conduct system testing. To maintain consistency at all institutions, the Register Number(s) for test account(s) should be 11111-111, 22222-222, as necessary.

When system testing is required, funds may be placed on the test account. Test calls should be completed as necessary. The test account must be zeroed out at the close of business each day.

The following day, the total amount of test calls made the previous day must be deducted from the Daily Activity Report prior to posting of this report to the FPPOS Control Account. All documentation, the Inmate Transaction Input printouts (both adding the funds and deducting the balance), should be attached to the Balance Report as detailed in Chapter 4557, 2.a.(5).

It should be noted that no entries involving the test account should be made to either the FPPOS Control Account or FMS. *

k. Account Reconciliation. The nightly Inmate Telephone Account Balance Report shall be reconciled daily to the 800 and 900 FPPOS control accounts. The FPPOS control account 900 shall be reconciled each month with the FMS 440.2, General Ledger

Account, Liability for ITS Credits, and ITS credits account. The ITS reconciliation worksheet (Attachment A) shall be completed each month and filed in the ITS monthly six-part file. The Trust Fund Supervisor, along with the Accounting Supervisor, shall complete the monthly reconciliation. A copy of the reconciliation worksheet shall be forwarded to Accounting for incorporation into the monthly proof check.

1. ITS Accounting Entries

(1) FMS Accounting Entries. Specific accounting entries required for entry into FMS are outlined in the Program Statement on Accounting for the Trust Fund Inmate Telephone System.

(2) FPPOS Journal Maintenance Entries. The entries required for maintaining ITS accounts in the FPPOS System are outlined below:

(a) To record ITS phone credit sales:

<u>MAJ</u>	<u>MIN</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
600	760	SALES - ITS CREDITS	NEG. AMOUNT
700	000	SALES - (MMDD)	POS. AMOUNT

(b) To record the transfer of ITS credits from FPPOS to ITS:

<u>MAJ</u>	<u>MIN</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
800	760	EXCEPTION	POS. AMOUNT
800	760	ITS CREDITS (MMDD)	POS. AMOUNT
900	000	ITS CREDITS (MMDD)	NEG. AMOUNT

(c) To record ITS sales:

<u>MAJ</u>	<u>MIN</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
800	810	SALES-INTERNATIONAL	NEG. AMOUNT
800	820	SALES-LONG DISTANCE	NEG. AMOUNT
800	830	SALES-LOCAL	NEG. AMOUNT
900	000	TOTAL TELE. SALES	POS. AMOUNT

(d) To record a transfer of ITS phone credits to a Commissary account:

<u>MAJ</u>	<u>MIN</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
800	870	REL/TRANS (VOUCHER #)	NEG. AMOUNT
900	000	REL/TRANS (VOUCHER #)	POS. AMOUNT
600	630	REL/TRANS (VOUCHER #)	POS. AMOUNT
700	000	REL/TRANS (VOUCHER #)	NEG. AMOUNT

(e) To record a refund of ITS phone credits due to
error:

<u>MAJ</u>	<u>MIN</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
800	880	ITS REFUNDS	POS.AMOUNT
900	000	CALLING CORRECTION	NEG.AMOUNT

ITS Reconciliation Worksheet

Month of _____

15X8408

Reconciliation Item/ Explanation	100.63 Report Account 440.2	ITS Account Balance Report	FPPOS 900.00 Control Account
Beginning Balance			
Reconciled Balance			

These accounts should all have the same reconciled balance. Any differences must be noted.

Attach copies of the ITS account balance report and the FPPOS account balance report.

Note: The balances used to reconcile the accounts must be the balances that are recorded after entering into FMS the final day's sales for the month.

Chapter 4556 - Inmate Telephone System Maintenance

1. PURPOSE AND SCOPE. This Chapter outlines procedures for ensuring continued efficient operation of the ITS.

2. ITS HARDWARE AND SOFTWARE MAINTENANCE. Maintenance service for ITS hardware and software is provided 24 hours a day, 365 days a year. If problems arise, the procedures outlined below shall be used to initiate maintenance service.

* # Trouble Report Hotline. Institution Trust Fund staff shall call 1-800-326-7487 (1-800-FBOPITS) to report GTE/ITS related hardware/software problems.

Service Problems. All service problems shall be directed to the appropriate service provider for local (site specific), long distance (Sprint FTS2000, 800-366-1717), international (MCI 800-318-3239) or collect services (site specific). *

Central Office Technical Assistance. Institution staff are encouraged to contact Central Office Trust Fund Branch ITS staff Monday-Friday 7:00 am to 3:30 pm EST for assistance in proper trouble resolution. After business hours, calls shall be placed to the ITS pager.

* # Trouble Reporting Log Book. A trouble reporting log book, labeled by fiscal year and used to track ITS problems, shall be maintained by institution Trust Fund staff. Each time a call is placed to any vendor, a ticket number shall be provided by the vendor. The date of the call, ticket number, nature of the problem, and name of the person contacted shall be recorded. The Trust Fund Supervisor shall record for each problem the total time the system is inoperable (down time). The Trouble Reporting Log Book for the previous 12 months shall be maintained on file in the ITS office. *

Example:

DATE	TICKET NUMBER	PROBLEM	CONTACT	INITIALS	DOWN TIME
02/03	9223 8:10 AM	SYSTEM DOWN	SUE SMITH	CKU	1.0 HR
02/91	9229 5:00 PM	KEY BOARD LOCKED SYS.	JOE SADLY	CKU	0.5 HR

Hardware and Software Updates/Improvements. The ITS Section of the Central Office Trust Fund Branch is responsible for continued review of institution and vendor maintenance log information and initiating the implementation of improved hardware and software into the ITS support contract.

Chapter 4557 - Records Management

1. PURPOSE AND SCOPE. This Chapter details the maintenance of records related to the ITS.

2. RECORDS MANAGEMENT

a. Monthly Six-Part File. A monthly six-part file labeled by month and fiscal year shall be established and maintained for two years as follows:

(1) Electronic Funds Transfer Reports. This section shall contain Electronic Funds Transfer Reports. These print daily after the transfer of ITS credits from FPPOS to ITS. Reports shall be filed chronologically. Totals from this report shall be used to balance the FPPOS against ITS credits sold.

(2) Exception Reports with Manual Transactions. This section shall contain the Exception Reports of transactions not posted to ITS accounts during the electronic transfer of ITS credits from FPPOS to ITS. All exceptions contained in the Electronic Funds Transfer Report must be manually posted using the Inmate Transaction Input screen. The Transaction Input report generated shall be attached to the Exception report and filed chronologically.

(3) Funds Returned to FPPOS. This section shall contain any ITS Inmate Transaction Input Printouts generated when ITS credits are deducted from an inmate's ITS account for the purpose of release or transfer. The ITS Inmate Transaction Input Reports shall be filed chronologically. A copy of the corresponding FPPOS Input Transaction Report indicating that funds have been transferred to the inmate's Commissary account from the ITS shall be attached.

(4) Correction Activities. This section shall contain any reports or transactions made to correct errors. Correction reports and transactions shall be filed chronologically.

(5) Balance Reports. This section shall contain the nightly Inmate Telephone Account Balance Summary Report and the Daily Activity Report from the ITS and the Detail Control Account Posting Report for ITS control accounts from FPPOS. These reports shall be balanced daily and filed chronologically.

* (6) ITS Reconciliation Worksheet and Quarterly Active Account Verification. This section shall contain the completed ITS monthly reconciliation worksheet and the supporting documentation for the Active Account Verification. *

b. Monthly Real Time Activity Report File. This file shall be labeled by month and fiscal year. It shall contain the month's Real Time Activity Reports, filed chronologically. Files for the most recent 12 months shall be retained.

c. ITS Transaction Control Log Book. This log book shall be maintained by fiscal year for two years. Each Exception Report, collection, and disbursement shall be logged and assigned a number. Numbers shall be prefaced with "ITS" and begin at 0001 each fiscal year. There shall be only one set of transaction numbers for all transactions. The transaction number shall be written on the document to which it applies.

Example

NUM	Date	Purpose	Init.
ITS 0001	02/03	Trans. Report	CKU
ITS 0002	02/04	Release	CKU

d. Telephone Number Request Forms. All initial and quarterly Financial Management copies of Telephone Number Request Forms shall be filed chronologically and maintained for 30 days. After 30 days, these forms shall be appropriately discarded.

e. Requests for Denial or Removal of a Telephone Number. This permanent file shall contain all written requests from Associate Wardens for denial of a telephone number and all requests from potential recipients for removal of telephone numbers from an inmate's list. Records shall only be removed from this file when an inmate is released or transferred.

f. Requests from Unit Management for Inmate Without Funds Collect Call Authorization. This permanent file shall contain all approved written requests for special collect call privileges for inmates without funds.

* g. Individual Inmate Balance Report. Nightly Individual Inmate Balance Reports shall be maintained for at least the past seven days. *

Chapter 4570 - Warehouse - General

1. PURPOSE AND SCOPE. This Chapter provides an overview of the warehouse operation and describes procedures related to the receipt, storage, issue, and control of merchandise and property.

The warehouse is an important function within the institution. Warehouse operations account for the receipt, storage, and distribution of general supplies, clothing and linen, Commissary merchandise, food stores, and personal property. Substantial quantities of supplies and other stores, in great variety, must be stored ready for use as the need arises.

2. INSTITUTION SUPPLEMENT. Several Chapters in the warehouse guidelines require the development of local procedures for implementing policy at the institution. These procedures may be issued as separate Institution Supplements or as a component of a consolidated supplement on Warehouse Operations, specifying the chapter being supplemented. Institution Supplements shall be prepared, approved, and reviewed as outlined in the Directives Management Manual. The following Chapters have requirements for establishing local procedures through an Institution Supplement.

- ◆ Chapter 4572, Purchase Orders.
- ◆ Chapter 4573, Receiving Reports.
- ◆ Chapter 4577, Stores Requisitions.

Chapter 4571 - Receiving Procedures

- * 1. PURPOSE AND SCOPE. This Chapter describes procedures for receipt of merchandise received by authorized personnel. General procedures related to Warehouse staff and receipt of merchandise procured via the Government-wide Commercial Credit Card are contained in the BOP Acquisition Policy and Procurement TRM. Specific guidelines related to receipt of credit card purchased Commissary merchandise are in Chapter 4527. *
2. RECEIVING AREA. A specified area or room shall be provided for retaining shipments as they arrive, until they have been checked and accepted, and a Receiving Report (BP-104), or other receiving document as specified in Chapter 4573, prepared. Such an area or room shall, so far as possible, be under the exclusive control of Warehouse personnel.
3. IDENTIFICATION. The first step in the receiving procedure is to identify the articles received with the proper vendor, purchase order, or contract specifications. Warehouse personnel shall promptly examine, count, measure, or weigh the articles, as necessary, to positively determine their acceptance as to quantity, quality, and conformity with the contract. Particular attention shall be given to receiving "hot items," for which Warehouse personnel shall be personally responsible until they are turned over to the requisitioner.
4. RECEIPT. A receipt in the form of a signature on a freight ticket presented by common carrier is only conditional acknowledgement of gross containers, weights, etc., and constitutes no release of either the carrier for concealed damage or the vendor for contract compliance. Any apparent or probable damage, as evidenced by the condition of the container, must be noted on the receipt given. Since some shipments are received and receipts given by employees other than Warehouse personnel, it is important that all concerned should be thoroughly familiar with receiving procedures.
5. SPECIFICATIONS. Warehouse personnel shall be familiar with the detailed requirements of the supply specifications. In addition to quantity, measurement, or weight, the examination shall encompass details of type, class, style or design, size, grade, quality, and condition of the articles in the shipment. Comparison shall be made with bid samples, if any, and tests made when advisable. Whenever any doubt exists, Warehouse personnel shall enlist the aid of other institution specialists concerned with the use of the particular articles, who shall, if satisfied, initial the original Receiving Report to signify approval.

6. VERIFICATION. Absent contractual stipulations to the contrary, reasonable commercial and trade practices shall generally govern the verification and acceptance of goods received. For instance, minor and immaterial deviations in quantity or reasonable deviations occasioned by standard packing shall be accepted, and the actual amounts received shall be accurately reported so payment will be made accordingly. It is not necessary to open every carton or weigh each container.

However, diligence should be exercised by Warehouse personnel to test weights or contents if necessary.

7. TIMELINESS. Warehouse personnel shall examine supplies routinely received as promptly as possible, no later than close of business one working day after receipt. The vendor may assume (and the law presumes) that goods are accepted unconditionally after a reasonable period is allowed for inspection. Therefore, when goods are determined to be unacceptable, it is essential that the vendor be notified promptly.

8. PERISHABLE FOOD ITEMS. Warehouse personnel and the Food Administrator or designee shall examine carefully all perishable food items obtained as surplus at the time of delivery. When deterioration or other conditions raise a question as to the advisability of using a particular item, immediate survey action shall be taken. When Warehouse personnel deem it necessary to test supplies for compliance with specifications, and the size of the shipment warrants it, the Controller shall be notified.

9. RECEIPT AT OTHER THAN WAREHOUSE. To avoid unnecessary handling, materials required for immediate use may be unloaded at the job or storage site. If necessary, Warehouse personnel shall delegate, in writing, authority to other employees for checking and accepting such goods at the delivery point and ensuring they are familiar with receiving procedures.

10. ARMS AND AMMUNITION. Arms and ammunition may not be received in or pass through the Warehouse, but shall be received by the Armory. The Armory Officer shall sign invoices, shipping bills, and other pertinent papers and forward them to the Warehouse. These documents shall be used to prepare the Receiving Report. The same procedures shall apply to explosives, blasting accessories, and tear gas.

11. CONTAINERS. When supplies or materials are received in containers (drums, carboys, reels, etc.), the Receiving Report covering the goods shall make reference to whether the containers are "purchased" or "on loan." Purchased containers shall be charged to the expense associated with the supplies purchased. The Receiving Report for "on loan" containers shall reflect the serial number of the container when available. For containers

delivered directly to the work site, the individual accepting delivery shall inform Warehouse personnel of the serial number(s) of the container(s).

12. BUILDINGS AND FACILITIES SUPPLIES. Warehouse personnel shall ensure that when Buildings and Facilities (B&F) supplies and materials are received, a Receiving Report (BP-104) is prepared.

The items shall be recorded on separate Stock Record Cards (BP-109) identified by B&F project, if stored under the control of the Warehouse. All B&F supplies and materials in stores shall be tagged or otherwise identified by B&F project number.

When it is impractical for Warehouse personnel to store certain items because of their bulk, or when the items are to be delivered to the project site for immediate use, the optional procedures of direct issue may be used. Then, the items must retain their identification by project number and be used only on the project for which they were purchased.

Chapter 4572 - Purchase Orders

1. PURPOSE AND SCOPE. This Chapter explains the use of the purchase documents in the Warehouse. The Purchase Order, the Request for Purchase, and the Credit Card Purchase Form (CPR) furnish information as to what supplies/property are on order and the anticipated delivery date. This enables Warehouse personnel to plan toward making adequate storage space available, thus facilitating the receiving and storage of goods as they arrive. These documents together with the items specifications should provide all the information necessary to determine by inspection the acceptability of the supplies.

* 2. COPIES OF PURCHASE DOCUMENTS

a. Copies of Purchase Orders. Four copies of each Purchase Order shall be forwarded to the Warehouse. Contracting Officers shall mark ALL Purchase Order copies covering "HOT ITEMS" with a readily noticeable insignia for Warehouse identification (see Chapter 4571).

The following three copies of the Purchase Order shall be filed together alphabetically in an unfilled order file upon receipt from procurement.

- # Receiving Report - Accounting Copy;
- # Receiving Report - Warehouse Copy; and
- # Receiving Report - Requisitioning Department Copy.

All acknowledgement, shipping tickets, GBLs, notices, etc., shall be attached to these copies. These copies shall be withdrawn from the file to check against the contents on the shipments. After the order is complete, these copies shall be removed from the unfilled alphabetical file and handled in accordance with Chapter 4573.

The fourth copy (Warehouse Copy) of the Purchase Order shall be filed numerically in a Purchase Order file for future use and reference.

b. Copies of Requests for Purchases. One copy of each Request for Purchase is forwarded to the Warehouse. Contracting Officers shall mark ALL Requests for Purchase copies covering "HOT ITEMS" with a readily noticeable insignia for Warehouse identification (see Chapter 4571).

Requests for Purchase filed in the Warehouse shall be filed numerically by fiscal year.

c. Credit Card Purchase Requests. When required locally, Warehouse staff shall maintain and utilize a Credit Card Purchase Request form for documentation purposes.

3. REVIEW OF UNFILLED ORDERS. Warehouse staff shall establish an internal schedule to review ALL unfilled orders, on a monthly cycle, bearing in mind when the various goods are needed, and follow up with vendors to secure timely deliveries.

a. Review. A portion of the ALL unfilled orders must be analyzed weekly to ensure that all unfilled orders do not exceed 30 days beyond the required delivery date on the Purchase Order, Request for Purchase, or Credit Card Purchase Request.

b. Follow-up. Telephone calls to vendors can be used in place of written follow-up correspondence for the first three inquiries. Notations of the telephone inquiries shall be made on the ordering document and shall include:

- # the person contacted,
- # date of contact,
- # vendor response, and
- # initials of the staff member making contact.

Subsequent to the three telephone follow-up inquiries, written follow-up correspondence shall be initiated for signature of the Warehouse Foreman, with a copy to the appropriate Contracting Officer. *

Chapter 4573 - Receiving Reports

* 1. PURPOSE AND SCOPE. This Chapter describes the use of the Receiving Report in the Warehouse. To certify payment to a vendor, the receipt of goods or services provided must be documented, normally by a Receiving Report (BP-104). The Warehouse copy of the Credit Card Purchase Request (CPR) Form may serve as the Receiving Report for Commissary merchandise (see procedures in Chapter 4527) purchases made with the Government Credit Card. Documents other than the Receiving Report shall be used as receiving documents in particular situations specified * in this Chapter.

2. SUBSCRIPTIONS/SERVICES. Receiving Reports are not required for procurements of subscriptions or services. The "services and supplies received" stamp may be used in lieu of a Receiving Report (see the Accounting Management Manual).

3. NON-PERSONAL SERVICE CONTRACTS. A Receiving Report need not be prepared on non-personal service contracts. The "Public Voucher for Purchases and Services other than Personal" (SF-1034) signed "approved for payment," serves as the Receiving Report.

4. CHARGE ACCOUNTS. The preparation of Receiving Reports for cash purchases and charge accounts is at the discretion of each institution. An Institution Supplement shall include procedures for the proper pickup, receipt, and distribution of articles purchased from blanket charge accounts, where individual Purchase Orders covering each shipment are not available. Whatever system is adopted should ensure the routing of signed delivery tickets through the Contracting Officer or other designated employees so that the tickets are always accounted for.

5. DIRECT ISSUE. Receiving Reports for "direct issue" items, including "Medical and Hospital" and "Stationery Supply," need not be posted to Stock Record Cards (BP-109). The employee receiving the material from the Warehouse shall sign the blue copy of all "direct issue" Receiving Reports. This is in lieu of a Stores Requisition (BP-100).

6. COMPLETE ORDERS. The Receiving Report (BP-104) shall not be used if a shipment received represents all items (including controlled equipment) requested on a Purchase Order. In these instances, the three copies of the Purchase Order (1. Receiving Report-Accounting Copy, 2. Receiving Report-Warehouse Copy and 3. Receiving Report-Requisitioning Department Copy) shall be used as the Receiving Report. The three copies shall be removed from the Warehouse alphabetical file (see Chapter 4572) and a Receiving Report number assigned. Warehouse personnel must sign and date the original and the two copies prior to distribution.

When the item received is controlled property, the assigned FPS-ID number must be referenced. A photocopy of the completed and signed Receiving Report-Accounting Copy (BP-108) and a Property Management System Input Transaction Form (BP-133) should be forwarded to the Property Officer (PO) following APO verification.

7. PARTIAL ORDERS. A Receiving Report (BP-104) shall be prepared when the quantity of goods received represents a partial shipment. Any corrections made to the Receiving Report after preparation shall be initialed by Warehouse staff on all copies (Exception: Preparation of Receiving Reports for Cash Purchases and Charge Accounts is at the institution's discretion). A Receiving Report shall not be prepared for non-personal services contracts; the signed "Public Voucher for Purchases and Services other than Personal" (SF-1034) serves as a Receiving Report.

When Receiving Reports (BP-104) for partial shipments are prepared, the Receiving Report-Accounting Copy and the Receiving Report-Requisitioning Department Copy of the Purchase Order may be discarded, and only the Warehouse copy maintained in the alphabetical unfilled order file until the order is complete. When the order is complete, the Warehouse copy shall be attached to the Receiving Clerk copy of the Receiving Report before filing in the closed file.

Notations indicating the Receiving Report number, date, and quantity of each item received shall be manually written on the Warehouse copy of the Purchase Order for cross-referencing.

8. TIMELINESS. Receiving Reports are to be completed promptly and forwarded to the Accounting section in time to comply with provisions of the Prompt Payment Act, but no later than three working days after receipt of the order.

9. PREPARATION. Receiving Reports (BP-104) shall be completed as follows:

a. Numbering. Receiving Reports shall be numbered consecutively at the beginning of each fiscal year followed by the last digit of the fiscal year, e.g., "0001-7," "0002-7." With the exception of the Trust Fund Appropriation, all appropriations (Salaries and Expenses, Buildings and Facilities, etc.) shall be in the same numbering sequence. A separate series of numbers shall be established for Trust Fund Receiving Reports. The numbers shall be preceded by "TF" and shall be numbered consecutively at the beginning of the fiscal year (e.g., TF0001-7, TF0002-7).

The Accounting section in conjunction with the Warehouse, shall maintain number control of all Receiving Reports to ensure accountability.

c. Received From. Shall indicate the name of the vendor as shown on the Purchase Order. If supplies are received from a shipper other than the vendor, his/her name and address, preceded by the words "Actual Shipper," shall be shown in the body of the Receiving Report.

d. Contract Number and Date. Shall be as shown on the Purchase Order.

e. Government Bill of Lading Number. Indicate if appropriate.

f. Via. Shall show the name of the transportation company or mode of delivery, such as "Vendor's Truck," "Picked Up," or "Mail". For orders when the institution will pay postage, the amount of postage shall be shown. If shipment was by common carrier, show whether the carrier or the Government performed pickup or delivery between the carrier's terminal and institution.

g. Accounting Data. Shall be typed on the Receiving Report exactly as shown on the Purchase Order.

h. Transportation Prepaid or Collect. Shall always be completed and the amount indicated. If the amount cannot be determined, "UNK" (for "unknown") should be entered.

* i. Stock Number/Serial Number, Quantity, Unit, Article, Unit Price, Amount. Most are self-explanatory. The Federal Prison System Identification (FPS-ID) number assigned to controlled property shall appear in the article column. The Purchase Order price of the item received shall be used to prepare the Receiving Report. When the Purchase Order is an "estimated" or "not to exceed" amount, the actual unit price may be used, providing the actual unit price is less than the Purchase Order price (i.e., actual price is \$10.00, for an item identified as NTE \$12.00). *

j. Receiving Clerk. Signature of Warehouse employee responsible for receiving the goods or services. Any correction made after preparation of a Receiving Report requires the initials of a Warehouse employee.

10. DISTRIBUTION

a. The Original (White). After Warehouse staff verify and sign it, the original shall be forwarded to the Accounting section and filed with the copy of the Purchase Order and the vendor's invoice pending preparation of the basic voucher for payment.

b. Accounting Copy (Green). Shall be forwarded to the Accounting staff for posting to the Miscellaneous Obligation Record.

c. Receiving Clerk Copy (Blue). Shall be used for posting to Stock Record Cards and filed numerically by Receiving Report number by Warehouse personnel. A notation indicating the Receiving Report number and date shall be manually written on the Receiving Clerk copy of the Purchase Order for cross-referencing.

d. Requisitioner Copy (Yellow). Shall be forwarded to the requisitioner, Cost Center Manager, or designated Accountable Property Officer (APO), whichever is appropriate.

e. Storekeeper Copy (Pink). Shall be used by Warehouse staff to complete certain fields of the Property Management System Input Transaction Form (BP-133) in accordance with the Property Management Manual. After Warehouse staff have completed the Input Transaction Form, the APO shall verify that the item's FPS-ID number, item description, serial number, and cost center agree with the information on the Input Transaction Form. If the item and the Input Transaction Form agree, the APO shall sign the Input Transaction Form and return it to the Property Officer (PO) for entry into the SENTRY Property Management System (SPMS). If the item and Input Transaction Form do not agree, the APO shall notify the Warehouse staff immediately to initiate corrective action. Unused pink copies may be discarded or filed as deemed appropriate.

11. DELIVERIES. As shipments are received, the number and date of the Receiving Report covering the shipment shall be noted on the Warehouse Copy of the Purchase Order. In the case of partial shipments, notations shall be made in such a manner as to identify the individual items or parts of items with their corresponding Receiving Report. Thus, the order will bear a complete record of each delivery.

12. CONTRA RECEIVING REPORTS. Reversing or "Contra" Receiving Reports (BP-104) shall be prepared whenever it is necessary to reject a shipment that had previously been covered by a regular Receiving Report and when cylinders or drums are returned for credit. Contra Receiving Reports shall be prepared, recorded, and distributed using the same forms and in the same manner as regular Receiving Reports, except all copies shall be conspicuously marked **Contra Report**. The line captioned "Received From" shall be changed to read "Shipped To" or "Returned To". Full details shall be included regarding source of the articles, reason for rejection or purpose of shipment, and, if offsetting a previous Receiving Report, cross-referenced to its number and date.

Chapter 4574 - Transportation Charges

1. PURPOSE AND SCOPE. This Chapter describes the payment of transportation costs for goods received in the warehouse. Transportation costs must be entered on Receiving Reports in all cases except when the goods are purchased F.O.B. destination.

2. F.O.B. DESTINATION. When merchandise is shipped F.O.B. destination, the vendor pays shipping charges with no additional charge to the Government.

3. F.O.B. SHIPPING POINT. When merchandise is shipped F.O.B. shipping point, the Government pays the cost of transportation from the vendor's dock to the final destination.

4. RECEIVING REPORTS. If the shipment is on a Government Bill of Lading (GBL), the GBL number, the gross weight of the shipment, and the amount of the transportation cost as revealed by the freight bill, freight receipt, etc., shall be entered on the Receiving Report. Shipments on a commercial collect Bill of Lading are to be converted to a GBL.

When the Government pays for transportation that is prepaid by the vendor, costs are billed as separate item(s) on the invoices. This estimate or actual cost for transportation charges shall be shown on the Receiving Report.

Chapter 4575 - Government Bill of Lading (GBL)

1. PURPOSE AND SCOPE. This Chapter describes the handling and distribution of the Government Bill of Lading (GBL).

2. INCOMING DELIVERIES. The GBL (SF-1103) does not require accomplishment by the consignee. It is not expected that a detailed examination be made of each shipment prior to signing the carrier's delivery document; however, in the event cursory inspection at the time of delivery indicates possible shortage, loss, or damage to contents, the carrier's representative should be requested to make a notation to that effect on the carrier's delivery ticket and the consignee's copy of the GBL.

If shortage, loss, or damage is discovered at a later time, the carrier shall be notified immediately by telephone upon discovery, followed by a written confirmation. The carrier shall be requested to make an inspection of damage, breakage, contamination, loss, etc., and furnish the consignee with a copy of the report. Pending inspection by the carrier or designated agent, the damaged articles, all containers, and packing material shall be kept intact.

3. OUTGOING SHIPMENTS. When a GBL is needed for outgoing shipments, the warehouse staff shall prepare the GBL and provide the carrier with the following copies of the completed document:

- ◆ Original (SF-1103).
- ◆ Shipping Order (SF-1104).
- ◆ Freight Waybill - Original (SF-1105).
- ◆ Freight Waybill - Carrier's Copy (SF-1106).

The remaining copies (SF-1103A) shall be distributed as follows:

- ◆ 1 copy to consignee's accounting station for obligation.
- ◆ 1 copy to consignee's receiving department.
- ◆ 1 copy for GBL numerical file (located in procurement).

4. LOST GBLs. The original GBL is the carrier's primary shipping document, which is used to bill the Government for transportation. If, upon delivery, the original GBL cannot be located, the carrier may, after certification by the issuing office, use the Freight Waybill-Original (SF-1105) as a substitute document when submitting public vouchers to the appropriate Government paying office. In this case, the following actions shall be taken:

- ◆ The delivering carrier shall forward the SF-1105 to the issuing office, which shall determine that the services were ordered and that the shipment was received at destination. After

this determination, the issuing office shall place the following certification on the reverse of the SF-1105 (5 GAO 3045.15):

"I certify that the services shown on the Freight Waybill were requested and have been rendered."

(Signature of issuing office)

(Date)

◆ The issuing office shall return the SF-1105 to the carrier and place on the reverse of the SF-1105 an identical "Certificate of Carrier Billing for Charges" that also appears on the original GBL, indicating the condition of the shipment upon receipt. Reproduced copies of the SF-1105 are not acceptable.

◆ If the original GBL is located by the carrier before settlement is made on the SF-1105, the original GBL should be substituted and the SF-1105 marked with the notation (5 GAO 3045.25):

"CANCELED-ORIGINAL BILL OF LADING LOCATED AND DELIVERED
TO THE DESTINATION CARRIER."

The canceled SF-1105 is then returned to the issuing office.

◆ If the original GBL is located after settlement is made on the SF-1105, the original GBL should be marked with the notation:

"TO BE VOIDED. PAYMENT RECEIVED ON FREIGHT WAYBILL."

The original GBL is then be forwarded to the Government paying office indicated on the front of the GBL where it is voided, properly annotated, and forwarded to the U.S. General Accounting Office (5 GAO 3045.30).

Chapter 4576 - Lost and Damaged Shipments

1. PURPOSE AND SCOPE. This Chapter describes procedures for handling lost and damaged shipments.

2. F.O.B. SHIPPING POINT. Property purchased F.O.B. shipping point becomes the property of the Government upon delivery by the vendor to the carrier. If a shipment is damaged, one of the following procedures is required:

- ◆ If the property can be satisfactorily repaired, arrangements can sometimes be made for the carrier to contract for repairs with a local repair shop.

- ◆ The institution may contract for the repairs or may make the repairs in the institution shops. The actual cost of restoring the article to its original condition is determined as the amount required from the carrier in satisfaction of the damages.

- ◆ If repair is impractical, the damaged article may, with the consent of the carrier, be disposed of as salvage. The replacement cost including transportation, or the original cost including any transportation paid, will be the amount of damages to be recovered.

- ◆ When a shipment is received on an F.O.B. shipping point basis and is completely or partially damaged, the Receiving Report (BP-104) shall show items accepted and the damaged items listed separately with corresponding values of the merchandise. The damaged items shall be covered by a Report of Survey (BP-111), which shall be used for posting to the appropriate Stock Record Card (BP-109).

3. F.O.B. DESTINATION. If the damaged articles were the property of the vendor while in transit (i.e., F.O.B. destination), the Government has no claim against the carrier. If the goods were rejected and left in the carrier's possession, or were received and held at the institution, it is important that prompt notice of the damage and rejections be given to the vendor. Arrangements may be made for a replacement shipment and to permit the vendor to make whatever claim he/she has against the carrier and to authorize disposition of the damaged goods. The institution should cooperate in any reasonable and practical way to protect the shipper's interest, through joint inspection of the goods and furnishing the vendor a copy of the inspection report and freight bill, restoration of the damage by repair rather than replacement if not detrimental to the interests of the Government, or disposition of the damaged articles in the manner most advantageous to the owner. The institution shall insist upon prompt disposition of any unacceptable goods held for the shipper.

4. SHIPMENT PARTIALLY DAMAGED. When a shipment received F.O.B. destination is only partially damaged, the Receiving Report shall indicate the acceptable items and notate the articles damaged. If the damages are negligible, the order shall be marked "complete" and a voucher deduction made from the contractor's invoice for the amount damaged.

5. SHIPMENTS TOTALLY DAMAGED AND NOT ACCEPTABLE. When all items in a shipment received F.O.B. destination are not acceptable, a Receiving Report shall not be prepared and the actions described in Paragraph 3. followed.

Chapter 4577 - Stores Requisition

1. PURPOSE AND SCOPE. This Chapter describes the use of the Stores Requisition (BP-100) to record the issue, transfer (temporary or permanent), or return of supplies and accountable property, and to provide a document for accounting control purposes.

2. REQUISITION SUPPLIES. Institutions may designate certain employees to requisition supplies. This is normally restricted to cost center managers.

3. CONTROLLED PROPERTY. Accountability of controlled property out for repair, but still within the institution, shall be transferred via Stores Requisition.

4. PREPARATION. Stores Requisitions are printed in quadruplicate and shall be made available to all employees authorized to draw supplies from the warehouse. All four copies shall be filled in by the requisitioning officer and forwarded to the warehouse. The Stores Requisition shall be completed with appropriate data as follows:

a. Number. Requisitions for supplies shall be numbered consecutively by warehouse staff beginning with No. 0001 at the beginning of each fiscal year. Warehouse staff shall maintain a separate block of numbers for transactions involving controlled property with FPS identification numbers. These requisitions for controlled property may be identified as ETR001 (Equipment Transaction Request). Requisitions involving Trust Fund sales inventory shall be separately numbered in consecutive order beginning with TF0001 at the beginning of each fiscal year.

b. Furnish, Return, Transfer. This block shall be clearly checked as to the purpose of the requisition: "From" - insert the department or person delivering the supplies or controlled property. "To" - insert the department or person receiving the supplies or controlled property.

Note: Only designated APOs may sign Stores Requisitions involving the transfer of controlled property.

c. Stock No. or Equipment No. Stock Numbers shall be taken from the institution stock catalog (if maintained) by the requisitioning officer. The equipment number will be the FPS-ID number for controlled property or the serial number for other property.

d. Quantity Wanted. The requisitioning officer shall enter the quantity being ordered.

e. Furnished. The quantity of each individual item issued by warehouse personnel shall be shown here.

f. Balance on Hand. Warehouse staff shall insert the balance of items remaining in stores after the quantity delivered has been deducted. Completion of this block is optional.

g. Article. The requisitioning officer shall insert the correct description. If additional space is needed, the second line on the requisition form should be used.

h. Unit Price. No information is needed in this column except for transfer of cost (see the Accounting Management Manual).

i. Amount. No information is needed in this column except for transfer of costs (see the Accounting Management Manual).

j. Issued or Returned By. This shall be the signature of the person filling the requisition or returning merchandise to the warehouse.

k. Transfer To. The person receiving the supplies shall sign here, after checking the requisition against supplies received.

5. DRAWING OF SUPPLIES. Warehouse staff shall enter all information on all four copies as supplies are withdrawn from the shelves. After posting to Stock Record Cards, distribution of the completed Stores Requisition shall be in accordance with Paragraph 6.

6. DISTRIBUTION. Stores Requisitions shall be processed as follows except if the property is controlled property sent for repair. In this instance the procedures in the Property Management Manual shall be followed.

- ◆ Arranged in numerical order.

- ◆ The original Stores Requisition shall be the warehouse source of posting. After posting, the original shall be initialed by the individual doing the posting, indicating that it has been posted to the Stock Record Card(s).

- ◆ Distribution of the Stores Requisition:

- (a) Original (white) - warehouse numerical file copy.

- (b) Pink copy - Controlled Property. When controlled property is transferred (property with FPS-ID number), the pink copy shall be forwarded to the Property Officer for input into the SENTRY Property Management System (SPMS). Once processed, the pink copy shall be maintained in a numerical file held by the Property Officer. Unused pink copies may be discarded or filed as deemed appropriate.

* (c) Yellow copy - copy to be forwarded to Accounting to document transfers between appropriations such as for Trust Fund transfers and UNICOR transfers. *

(d) Goldenrod copy - person receiving the supplies or Accountable Property Officer.

7. INSTITUTION SUPPLEMENT. To avoid unwarranted frequency of requisitions and to efficiently use Warehouse staff, Institution Supplements shall prescribe definite dates and regular intervals for issuance of supplies.

8. FARM OPERATIONS. The Farm Manager at institutions with farming operations may maintain Stock Record Cards, including all of the responsibilities for them, for purchased feed, seed, fertilizer, etc., stored in farm buildings. Warehouse personnel shall still inspect and check receipt of such articles and prepare Receiving Reports (BP-104) to be signed by the Farm Manager.

Chapter 4578 - Arrangement of Stores

1. PURPOSE AND SCOPE. This Chapter describes the need for proper arrangement of stores in the Warehouse. Accessibility and convenience of issue are important factors in Warehouse operations. Subsistence items shall be grouped by ration details. Other classes of articles, such as inmate allowances, clothing, and housekeeping supplies, shall also be grouped for convenience of issue and inventory. Within the various classes of articles, the fastest moving items shall be in the most accessible space and the slower moving in less accessible space. Items in the various classes and subgroups shall be arranged in order by Stock Number, where practical.
2. SEGREGATION OF SUPPLIES. Supplies purchased out of special funds, such as Buildings and Facilities (B&F) and Trust Fund, shall be segregated and shall not be issued for purposes other than that for which purchased.
3. CONVENIENCE. Arrangement for convenience of inventory is necessary; articles shall be stacked or shelved in uniform tiers and rows to facilitate rapid counting when taking inventory. Full cartons or other containers shall be placed so the label or marking indicating the contents is on the outer or top side, whichever is most readily visible. Clothing shall be arranged by size, and bins marked to facilitate inventory.
4. CUSTODY. Arrangement for custody is most important. All supplies, except those such as gasoline, fuel oil, motor oil, coal, subsistence items, and discharge clothing that may be issued by other employees, shall be under the complete control of Warehouse personnel. Each Warehouse, building, or enclosed area shall be securely locked when not in use. Due to their type and quantity and the lack of indoor storage space, some materials must be maintained outdoors, away from the Warehouse proper. In most cases, these items are readily controlled through size and use, but periodic checks are advisable.
5. HOT ROOM. Each Warehouse shall have a securely locked room or enclosed area for the safe storage of so-called "hot items" that are most likely to be pilfered, or might in some way facilitate an attempt to escape. Included in this category are small tools, files, knives, drills, abrasives, hacksaw blades, antifreeze solutions, lye, hypodermic needles, drugs, acids, poisons, certain spices, etc. Many other items may fall into this category; the list may be expanded or diminished, depending on the type of institution and the hazards present. Institution staff who are primarily concerned with custody and safety shall prepare a list of "hot items" for their institution. Copies shall be furnished to the Contract Specialist and Warehouse staff.

6. ADVANCED PLANNING. Plans for placement of supplies must always be made in advance of their receipt to expedite the distribution of supplies to stock and avoid confusion and delay in filling requisitions. In planning for allocating storage space at least two factors must be considered: the quantity and type of supplies, and the frequency of turnover. Every effort shall be made to arrange stock to facilitate issue of older stock first (First-in, First-out, or FIFO method). Discussions with the various department heads, together with experience in handling materials over a period of time, will assist Warehouse staff in estimating and planning the allocation of space.

* 7. STOCK RECORD CARD. As supplies are placed in Warehouse stock, the items and quantities shall be checked against the Warehouse Copy of a receiving document, and the quantities, *
Receiving Report number, date, and new balance on hand shall be entered on the Stock Record Card (BP-109). New stock shall be placed in shelves, bins, etc., so that the oldest stock is issued first.

8. DONATED ITEMS. Donated articles shall be maintained with like items on Stock Record Cards.

9. FARM ITEMS. Farm production items shall be listed on separate Stock Record Cards plainly marked "Farm Item."

10. CLOTHING. Discharge clothing and other items given inmates upon release may be issued on a Stores Requisition (BP-100) and signed for by Receiving and Discharge personnel. Inmates being released shall sign a Stores Requisition covering all Government property received. Clothing and other supplies shall be picked up from the storeroom in accordance with Chapter 4577.

11. REDISTRIBUTION. Excess property for redistribution shall be stored separately from institution stock. In addition, these items shall be accounted for on Stock Record Cards clearly marked "Excess for Redistribution."

12. STOCK LEVELS OF SUPPLIES. The stock level of supplies in the Warehouse shall not exceed a 180-day supply. Excess stock shall be disposed of in accord with procedures in the Property Management Manual.

Chapter 4579 - Stock Records

1. PURPOSE AND SCOPE. This Chapter describes the process for accounting for items maintained in the Warehouse through the use of the Stock Record Card (BP-109).

2. REQUIREMENT FOR MAINTAINING STOCK RECORD CARDS

- * a. General Supplies. Stock supplies believed to be a threat to security or safety or those highly desirable and subject to theft shall be maintained on Stock Record Cards or a Bureau approved automated Stock Record Card program. The determination on which supplies shall be maintained on Stock Record Cards shall be made by the Controller in conjunction with other appropriate Department Heads. A memorandum outlining those items requiring a Stock Record Card shall be prepared by the Controller, approved by the Associate Warden for Operations (AWO), and maintained on file in the Warehouse.

When a Receiving Report (BP-104) is posted to the Stock Record Card, the date, Receiving Report number, quantity, and unit price shall be shown. The unit price is placed on the Stock Record Card for reference purposes relating to ordering and for general use when the magnitude of inventory shortages after the annual inventory requires submission of a Report of Survey to the Regional Director per Chapter 4580 of this manual and the Procurement and Property Manual. *

The requirement for maintaining Stock Record Cards does not apply to the establishment of stock levels for final issue points, such as supply closets located in office space.

b. Medical Supplies. Recording and receiving of medical and hospital supplies shall be in accordance with the Health Services Manual.

c. Subsistence Supplies. The Food Service Administrator shall maintain Stock Record Cards for subsistence supplies under his/her control through the use of the Warehouse Inventory Control System (WICS) computer program. At institutions where subsistence supplies are stored and controlled in the Warehouse, Warehouse staff shall maintain the Stock Record Cards.

- * 3. STOCK RECORD CARD. All entries to the Stock Record Card shall be made by ink or typewriter. Erasures, "white-outs," and ink eradications shall not be made on Stock Record Card entries. Errors shall be corrected as follows: (1) if there is no intervening entry, by ruling neatly through the error (leaving it legible) and placing the correct entry on the next line; or (2) if other entries intervene, by making reversing or correcting

entries with cross-reference to the erroneous entry. Error corrections to automated Stock Record Cards shall use a reversing entry versus a "ruling out" procedure and sufficient information supplied to maintain an audit trail. Information to be posted on the Stock Record Card is self-evident, but the following shall be used as a guide: *

- a. Date. The date of the posting document shall be entered. The Stock Record Card shall be **year-dated** at the beginning of every calendar year.
- b. Reference. Reference the number of the Receiving Report, Report of Survey (BP-111), or Stores Requisition (BP-100).
- c. Unit Price. The actual price of the stock received, limited to two decimal places.
- d. Received. Enter quantity received (added) and extend into balance column.
- e. Issued. Enter quantity being withdrawn (reduced), deduct from previous balance, and enter quantity remaining on hand in the balance column.
- f. Balance. The quantity on hand after posting the Receiving Report, Report of Survey, or Stores Requisition.
- g. Location. Enter the 19-digit Accounting Classification Code using 02 in lieu of fiscal year in the appropriation block.
- h. Stock No. Stock numbers shall be assigned in accordance with Federal Property Management Regulation 101-30.3.
- i. Unit. The unit of issue shall normally be the unit identified on the Purchase Order.
- j. Article. The article shall be sufficiently described so that it is readily identifiable.

Chapter 4580 - Inventories - Stores

1. PURPOSE AND SCOPE. This Chapter describes the process of inventorying stores maintained in the Warehouse. Warehouse staff shall check supplies when issuing, storing, and receiving items to reconcile the actual count with the balance shown on the Stock Record Card (BP-109). Discrepancies shall be immediately checked and the reason established. Supplies found spoiled or damaged shall be promptly reported to the Controller and survey procedures initiated. The cause of the loss shall be ascertained and measures taken to prevent reoccurrence.

2. INVENTORIES

a. Annual Inventories of Items Not Controlled by Warehouse Staff. Warehouse staff, or their designees, shall perform annual physical inventories of stores that are maintained on Stock Record Cards but are under the control of someone other than Warehouse staff. Items such as gasoline, fuel oil, motor oil, coal, discharge clothing, etc., are included under this requirement. The inventory may be conducted during any month of the last quarter of the fiscal year.

b. Annual Inventories of Items Controlled by Warehouse Staff. A Financial Management employee or assigned employee, other than one having control of the items to be inventoried, shall perform annual inventories of items maintained on Stock Record Cards controlled by Warehouse staff during any month of the last quarter of the fiscal year. Items such as laundry stores are included in this requirement.

c. Annual Inventories of Building and Facility Supplies. Personnel, other than those controlling the inventory, shall conduct an annual inventory of building and facilities supplies during any month of the last quarter of the fiscal year.

Stock Record Cards shall be adjusted upon reconciliation of the inventory.

d. Inventories of Food Service Supplies. The schedule and conduct of inventories for Food Service subsistence supplies shall be under the Food Service Administrator's control.

e. Inventories of Narcotics Supplies. The schedule and conduct of inventories of narcotics supplies shall be under the Health Services Administrator's control.

3. INVENTORY SCHEDULE. The annual "Inventory Schedule" prepared by the Board of Survey will show the dates and employees assigned to the conduct of the annual inventories of stores (see Paragraph

2.a - 2.c above) and property inventories (see Property Management Manual) and the quarterly Commissary inventories (see Chapter 4527 of this Manual). It is recommended that an employee not inventory the same cost center for two consecutive periods. The Cost Center Manager of the stores to be inventoried under the control of the Warehouse will furnish an employee to perform the inventory. The employee the Cost Center Manager assigns shall date and notate each Stock Record Card as the inventory is taken - e.g., "8-30-95 - Annual Inventory."

4. REPORT OF INVENTORY. The person performing the inventory shall complete and sign a "Report of Inventory" (a listing of all items - see Attachment A for format) for each cost center stores inventory conducted. The original and three copies shall be distributed as follows:

Original forwarded to the Controller for approval prior to any adjustment being made to the Stock Record Cards.

One copy retained as an inventory file copy by the Warehouse.

One copy attached to Report of Survey (if applicable).

Immediately after the Controller approves the "Report of Inventory," a Report of Survey (BP-111) for any cost center stores overage or shortage shall be prepared in accordance with procedures in the Property Management Manual. *

Posting of stores differences to the Stock Record Cards shall be made directly from the Report of Survey, making references to the Report of Survey number.

5. TRUST FUND INVENTORIES. Inventories for Trust Fund Commissary stores shall be conducted according to procedures in Chapter 4527.

REPORT OF INVENTORY

CONTROLLER

DATE: _____

NAME AND TITLE

SIGNATURE

INVENTORY: _____
COST CENTER SUB-OBJECT DATE OF INVENTORY

ARTICLE	UNIT	CARD BALANCE	INVTY COUNT	+ OVER - UNDER 0 EVEN	ISSUE DATE MO/YR
			TOTAL		

CONTROLLER

DATE

OVERAGES AND SHORTAGES REPORTED AND APPROVED ABOVE WERE CORRECTED BY
REPORT OF SURVEY NUMBER _____ DATE _____.

Chapter 4581 - Disposition of Slow-Moving Supplies

1. PURPOSE AND SCOPE. This Chapter describes the process for disposing of slow-moving supplies. Warehouse staff shall make systematic and continuous review of all supplies in stock to determine overstock or obsolescence.

2. DETERMINATION. Supplies determined to be in excess of the institution's current or "emergency" needs shall be disposed of in accordance with procedures outlined in the Property Management Manual. Emergency or "standby" items shall not automatically be retained, but shall be reviewed each year. Copies of justifications for retention shall be available for auditors.

Stock items considered "emergency" or "standby" shall be identifiable by red signal tabs or other markings on the Stock Record Card (BP-109).

3. TRANSFER TO ANOTHER INSTITUTION. When supplies are transferred to another institution or agency, procedures in the Property Management Manual shall be followed. When supplies are delivered directly to a representative of the receiving institution or agency, rather than shipped, the requisition shall be signed by the recipient.

4. RECEIVED FROM ANOTHER INSTITUTION. Excess supplies received gratis from other institutions shall be recorded on the Receiving Report (BP-104) at "no charge" and need not be referred to the Board of Survey.

5. REPORT OF SURVEY. Processing of Reports of Survey (BP-111) shall be conducted according to the Property Management Manual.

Chapter 4582 - Sanitation/Maintenance of Equipment

1. PURPOSE AND SCOPE. This Chapter describes the requirement for a clean and well-maintained warehouse environment. Sanitation is of importance due to the vast amount of shelving, floor space, refrigerated areas, equipment, windows, etc. These must be kept clean through constant supervision and attention. The Occupational Safety and Environmental Health Manual includes specific guidance related to maintaining the warehouse.
2. WAREHOUSE STORAGE. Items on floor skids shall be stacked in accordance with the best warehouse practices so that a good appearance is obtained, the storage is safe, and inventories are facilitated. All food supplies shall be stored in bins, on racks, or on skids (see the Occupational Safety and Environmental Health Manual and the Food Service Manual).
3. DAMAGE CONTROL. Precautions shall be taken to avoid insect and rodent infestation, preserve metals and fabrics, detect breakage and leaks, and eliminate thefts and damage to supplies or property.
4. PASSAGEWAYS. Clear passageways shall be maintained around all rows of skids and bins to facilitate cleaning. Warehouse staff shall inspect all storage areas daily.
5. OTHER AREAS. These sanitation conditions are applicable to other institutional areas, "annex" storage areas, farm areas, culinary areas, shops, salvage rooms or yards, construction sites, etc.
6. EQUIPMENT. All warehouse equipment shall be kept clean and in good repair. Trucks used for handling food items shall be cleaned daily. Scales shall be accurately adjusted and tested frequently by using weight standards. An inspection schedule for all elevators shall be set up through the General Services Administration, coordinated through the Facilities Manager.

Chapter 4583 - Safety

1. PURPOSE AND SCOPE. This Chapter describes certain safety requirements in warehouse operations. While the subject is covered in depth in the Occupational Safety and Environmental Health Manual, aspects of safety related to warehouse operations are cited here as particular responsibilities of warehouse personnel. The Supervisor of Warehouse operations shall enforce safety regulations in all areas under his/her supervision, both by training employees and inmates in proper working methods and by properly storing and handling materials that present particular safety hazards.

2. INFLAMMABLES. Highly inflammable articles such as paint thinner, kerosene, and oil shall be stored in a fireproof place, preferably separated from the main building. Fire extinguishers shall be placed in strategic locations, readily available in case of need. Smoking shall be forbidden, except in the office or other areas specially designated by the Safety Committee for that purpose. "NO SMOKING" signs shall be prominently posted in all other warehouse premises.

3. EQUIPMENT MAINTENANCE. Ladders, hoists, skids, trucks, elevators, etc., shall be maintained safely and frequently inspected. Pipe, lumber, and bulky items shall not extend out of racks into aisles or walkways. Ice shall not be permitted to form on refrigerator floors. All employees shall be constantly alert to these and other possible causes of injury in and about the warehouse. Safety shoes shall be worn by all employees and inmates working in the warehouse (see the Occupational Safety and Environmental Health Manual).

Chapter 4584 - Technical References

1. PURPOSE AND SCOPE. This Chapter provides information on the specifications and regulations related to materials handling.

2. MATERIAL HANDLING REGULATIONS AND SPECIFICATIONS. Federal and other specifications covering materials received and used in the institution are filed in the Procurement Office and can be used by warehouse staff. The warehouse should have a copy of the latest General Services Administration Catalog. If space permits, a library of catalogs of firms customarily doing business with the institution is useful in checking specifications of items received.

These regulations do not prescribe the more technical aspects of storage and handling of supplies, such as those pertaining to the proper temperatures and humidities for preservation of various foods, care of specialized equipment, or eradication of rodents and insects. Warehouse staff are expected to refer to standard reference guides covering the latest techniques in maintaining an efficient, clean, and orderly warehouse.

Chapter 4585 - Key Control

1. PURPOSE AND SCOPE. This Chapter describes key control related to warehouse functions.
2. KEY CONTROL. Warehouse keys shall be controlled in the following manner. A wood/metal box(s) with a glass front, large enough to contain the entire warehouse key ring(s), shall be constructed and placed in the control room. At the end of each work day, the warehouse key ring(s) shall be securely locked in this box. A key to the locked box may be checked out on a 24-hour basis to designated warehouse employees and/or the Controller or Trust Fund Supervisor. In an emergency, the glass may be broken to obtain the keys. After the incident, a memorandum shall be prepared and forwarded to the Controller documenting the situation that required emergency key access.

Chapter 4595 - Laundry Operations - General

1. PURPOSE AND SCOPE. This Chapter provides an overview of the laundry operation and describes procedures related to the efficient management of clothing and linen inventories, the issue of clothing and linen, and the management of the laundry operation.

The Bureau shall provide personal hygiene articles, issue clean, suitable, and presentable clothing, and ensure that suitable bedding, linen, and towels are available to meet the personal needs of inmates and maintain a clean living environment.

2. INSTITUTIONS NOT AUTHORIZED INMATE PERSONALLY OWNED CLOTHING. Institutions not authorized to allow inmates to wear personal clothing shall furnish each inmate with sufficient clothing to allow the inmate three changes of clothes weekly. * Clothing issue shall be consistent with this policy and established local procedures. *

3. INSTITUTIONS AUTHORIZED PERSONALLY OWNED CLOTHING
Institutions that allow inmates to wear personal clothing are still required to furnish clothing to inmates who do not wish to wear or cannot obtain personal clothing or inmates who choose to use Government-issued items in addition to personal clothing. Dry cleaning of personal clothing at Government expense is prohibited. Inmates shall be encouraged to obtain only machine-washable personal clothing. Institutions storing personal clothing belonging to inmates must provide for thorough cleaning whenever it is physically possible and time permits, and, when necessary, for disinfecting inmate clothing prior to storage or before allowing the inmate to keep and wear it. This applies to clothing the inmate is wearing when admitted.

It is the inmate's responsibility to ensure that items of personal clothing obtained from outside sources are clean and presentable before being introduced into the institution.

4. INSTITUTION SUPPLEMENT. Several Chapters in this section require development of local procedures to implement policy. These procedures shall be issued as an Institution Supplement on Laundry Operations and reference the Chapter being supplemented. Institution Supplements shall be prepared, approved, and reviewed as outlined in the Directives Management Manual. These Chapters require establishing local procedures through an Institution Supplement:

Chapter 4596 - Issue, Cleaning, and Maintaining Accountability for Clothing and Linen.

Chapter 4598 - Laundry Operations/Health and Safety.

Chapter 4596 - Issuing, Cleaning, and Maintaining Accountability of Clothing and Linen

1. PURPOSE AND SCOPE. This Chapter establishes procedures for the operation of the laundry and the supply, issue, exchange, and accountability of inmate clothing and linen.

2. AVAILABILITY OF CLOTHING. Each institution shall maintain an inventory to supply clothing, linen, and bedding to inmates. Total inventory levels of the major categories (i.e., pants/dresses, shirts, sheets, towels, jackets/coats) shall not generally exceed a 360-day supply. The 360-day supply includes items purchased or obtained through surplus. An example is provided to give some guidance in calculating the 360-day supply. If reserve supplies are maintained, for example inside the laundry supply closet or other final issue point, they should generally not exceed a 30-day supply.

Sample calculation of the maximum inventory level for a single item:

Pants issued: week 1 - 150
 week 2 - 300
 week 3 - 125
 week 4 - 420

995 items/4 weeks = 250 (average issue/week)

250 items/week x 52 weeks = 13,000 (approximate
360-day supply of pants)

Excess inventory may be disposed of in accordance with the Property Management Manual.

If inventory maintained on a Stock Record Card (BP-109) is lost due to theft or damage, a Report of Survey (BP-111) shall be prepared in accordance with the Property Management Manual.

3. ISSUE OF LINEN, CLOTHING, AND PERSONAL HYGIENE ITEMS

a. Issue of Clothing. The institution shall issue suitable clothing to all inmates - properly fitted, climatically suitable, durable, and presentable. The standard wardrobe shall include the following items, as appropriate for the institution. The Institution Supplement shall establish the minimum and maximum quantities of items to be issued.

shirts
blouses
dresses/skirts
pants
belts

- undergarments
- slips
- socks
- shoes (soft leather steel toe safety shoes, high top or low top; see note below)
- coats
- jackets
- headgear

Note: No additional hard leather safety shoes shall be purchased for issue to inmates. Soft leather steel toed high or low safety shoes will replace hard leather safety shoes when current supplies are exhausted.

b. Issue of Bedding and Miscellaneous Supplies. The institution shall issue suitable, clean bedding and linen, including, at a minimum:

- one mattress
- two sheets
- one pillow and pillowcase
- towels
- sufficient blankets to provide comfort under existing conditions - cotton blankets (see note below)
- mattress cover (optional)
- nylon mesh bag for Commissary purchases

Note: No new orders will be placed to purchase wool blankets; issue of cotton blankets will be phased in.

c. Issue of Personal Hygiene Items. Personal hygiene items (soap, toothbrushes, etc.) shall be made available to inmates as described in the Program Statement on Grooming.

d. Issue of Special or Protective Clothing. Inmates assigned to special work areas shall be provided clothing and shoes in accordance with the requirements of their assignment. Local guidelines shall be established for purchase, maximum and minimum quantities, and accountability of special or protective clothing issued to inmates. Inmates requiring special shoes shall have authorization from the Health Services Department.

4. PROCEDURES FOR EXCHANGE AND CLEANING OF LINEN/CLOTHING.

Inmates shall be allowed at least three changes of clean clothing and at least one change of linen per week. A reasonable cleaning schedule shall apply to blankets, pillows, and mattresses. The schedule for exchange of clothing and linen shall be included in the Institution Supplement.

The institution may provide clean clothing in several ways, including access to self-serve washer facilities, a central clothing exchange, or a combination of the two. When no central

laundry is available, institutions shall provide detergent (low-suds and biodegradable) for inmate use. Non-chlorine bleach may be furnished within budgetary constraints.

Procedures shall be established for exchanging clothing no longer suitable for use. Disciplinary action may be taken against inmates who willfully damage Government-issued clothing and linen. Inmates shall not take Government-issued clothing with them upon release except as provided in the Accounting Management Manual.

Institutions that allow inmates to wear personal clothing shall establish procedures for cleaning it.

5. INMATE ACCOUNTABILITY FOR GOVERNMENT-ISSUED ITEMS.

Institutions shall establish local procedures to account for the initial issue of Government-furnished items to inmates and for the return of these items by inmates prior to release or upon placement in special housing. Upon receipt of their clothing items, the inmate shall be required to sign for receipt of the clothing and instructed that prior to release, clothing shall be returned. Records shall be maintained documenting the items and quantities issued to each inmate. The return of clothing at the time of release shall be recorded on the inmate's record.

6. SERVICES TO OTHER INSTITUTION COMPONENTS. Institutions shall establish local procedures for services provided to institution staff, such as medical services or other uniformed staff. The Institution Supplement shall address the services provided and the hours services are available.

Chapter 4597 - Inventory Management

1. PURPOSE AND SCOPE. This Chapter establishes procedures for maintaining Stock Record Cards (manually or on a computer) for conducting annual inventories of laundry stores.

2. STOCK RECORD CARDS. All supplies the warehouse receives for the laundry shall be maintained on Stock Record Cards (BP-109) as required in Chapter 4579. The record of supplies may be maintained either manually on the Stock Record Card or on a computerized version of the Card.

Stock Record Cards (BP-109) are not required for stock maintained at final issue points such as the laundry closet or stock issued to the hospital or units.

Items received for the laundry and clothing operation, including soaps, supplies, and toiletries, shall be maintained on Stock Record Cards. When the laundry maintains the primary inventory of clothing and linen, the same procedures for inventory and Stock Record Cards apply. All stock obtained from the warehouse shall be issued via Stores Requisition (BP-100). Inventory shall be taken on stores items only, not on items already requisitioned, with the following exceptions:

- ◆ If merchandise is received but not stored in the warehouse, Stock Record Cards or the computerized inventory records shall be maintained at the final place of storage and an annual inventory conducted of that storage area.

- ◆ If the amount of stock requisitioned exceeds a 30-day supply, additional Stock Record Cards shall be maintained at the second storage area as well as in the warehouse, and an annual inventory shall be conducted of that area. A copy of the Stock Record Card or computerized printout shall be maintained on file by the warehouse and by the area receiving the stock (i.e., laundry, units, hospital).

3. ANNUAL LAUNDRY STORES INVENTORY. Annual inventories are required for all supplies maintained on Stock Record Cards or computerized records for the laundry and clothing operation. The annual inventory shall be conducted in accordance with Chapter 4580. Staff not having control of laundry stores shall conduct the inventory.

Chapter 4598 - Laundry Operations, Health and Safety

1. PURPOSE AND SCOPE. This Chapter provides guidance on the operation of the laundry and specific health and safety requirements. While this subject is covered in depth in the Occupational Safety and Environmental Health Manual, certain aspects of safety especially related to laundry operations are cited here as particular responsibilities of laundry personnel. The Laundry Foreman shall enforce safety regulations in all areas under his/her supervision, both by training employees and inmates in proper working methods and in proper storage and handling of materials presenting safety hazards.
2. GUIDELINES FOR LAUNDRY FACILITIES. Procedures for laundering clothing and linen and technical requirements for laundry equipment are found in the Occupational Safety and Environmental Health Manual, which also includes information concerning general safety requirements, organization of the laundry, and training of inmate workers. All laundry workers shall be familiar with this Manual.
3. LAUNDRY SEPARATION. Clean laundry shall be maintained separately from soiled laundry. Laundry carts shall be used exclusively for dirty laundry or clean laundry. All carts shall be clearly marked to prevent any mingling of clean and dirty laundry.
4. CONTAMINATED LAUNDRY. Local procedures shall be established to identify contaminated clothing and linen and for sending these items to the laundry. At a minimum, contaminated clothing and linen shall be sent to the laundry in sealed water-soluble bags encased in regular plastic bags. Laundry staff shall remove the regular plastic bag and wash the water soluble bag and contents while the bag is still sealed.
5. HAZARDOUS CHEMICALS. Calcium Hypochlorite (bleach) shall not be used in granular form because of its explosive potential. Authorized staff may dispense liquid bleach. The procedures for control, use, and storage of bleach and other chemicals shall be addressed in an Institution Supplement.
6. TRAINING. Each inmate assigned to the laundry shall receive training from the Laundry Supervisor concerning safe work methods such as machine operation and handling of hazardous materials as outlined in the Occupational Safety and Environmental Health Manual.

Chapter 4599 - Security - Laundry

1. PURPOSE AND SCOPE. This Chapter establishes procedures to maintain a secure laundry area and retrieve excess clothing.

2. LAUNDRY AREA. All inmate workers entering or leaving the laundry area shall be pat searched daily. Occasional strip searches are authorized and shall be conducted in accordance with the Program Statement on Searches of Housing Units, Inmates, and Inmate Work Areas. A staff member shall inspect all trash leaving the area. Boxes and cartons shall be broken down. The laundry area shall be inspected daily for potential hazards and contraband.

Inmates who steal merchandise from the laundry area are subject to a disciplinary report in accordance with the Program Statement on Inmate Discipline and Special Housing Units.

No more inmates than staff can effectively manage and control shall be permitted to work in the laundry area. Inmates shall not be in the laundry area unsupervised.

3. QUARTERLY CLOTHING RETRIEVAL. At least quarterly, the Controller shall request that Correctional Services staff perform an institution shakedown to retrieve unauthorized Government-issued items from inmates.